



# Shaw Research & Consulting

*Real Estate Analysis & Market Feasibility Services*

**A RENTAL HOUSING  
MARKET FEASIBILITY ANALYSIS  
FOR  
CARROLLTON, GEORGIA**

***Carrollton Crossing Apartments***

*Project Number 08-050*

**May 28, 2008**

***Prepared for:***

**Georgia Department of Community Affairs**  
The Georgia Housing & Finance Authority  
60 Executive Park South NE  
Atlanta, GA 30329

***Prepared by:***

**Shaw Research & Consulting**  
P.O. Box 38  
Bad Axe, MI 48413  
Phone: (989) 415-3554

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**SIGNED STATEMENT REQUIREMENTS**

I affirm that I have made a physical inspection of the market area and subject property and that information has been used in the full study of the need and demand for the proposed units. To the best of my knowledge, the market can support the project as shown in the study. I understand that any misrepresentation of this statement may result in the denial of further participation in DCA's rental housing programs. I also affirm that I have no interest in the project or relationship with the ownership entity and my compensation is not contingent upon this project being funded.

**CERTIFICATE OF ACCURACY AND RELIABILITY**

I hereby attest that this market study has been completed by an independent third-party market consultant with no fees received contingent upon the funding of this proposal. Furthermore, information contained within the following report obtained through other sources is considered to be trustworthy and reliable. As such, Shaw Research and Consulting does not guarantee the data nor assume any liability for any errors in fact, analysis, or judgment resulting from the use of this data. This report was written according to DCA market study requirements. The information included is accurate and can be relied upon by DCA as a true assessment of the low-income housing rental market.



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Steven R. Shaw  
**SHAW RESEARCH & CONSULTING**

Date: May 28, 2008

## I. INTRODUCTION

Shaw Research & Consulting has prepared the following report to examine and analyze the Carrollton area as it pertains to the market feasibility of Carrollton Crossing Apartments, a proposed 72-unit affordable rental housing development targeted for low and moderate-income single and family households. The subject proposal is to be located within the northern portion of the city, along the west side of Park Street (U.S. 27) at the junction with Rome Street, approximately ¼ mile north of Kings Bridge Road. Furthermore, the proposed development is situated roughly one mile north of downtown Carrollton in an area with a mix of commercial properties, vacant undeveloped land, and city facilities. Additionally, the subject property currently consists of mostly wooded property.

The purpose of this report is to analyze the market feasibility of the subject proposal based on the project specifications and site location presented in the following section. Findings and conclusions will be based through an analytic evaluation of demographic trends, recent economic patterns, existing rental housing conditions, fieldwork and site visit, and a demand forecast for the proposed development within the Carrollton primary market area (PMA). All fieldwork and community data collection was conducted on May 14 and 15, 2008 by Steven Shaw. A phone survey of existing rental developments identified within the primary market area (PMA), as well as site visits to those properties deemed most comparable to the subject, was also reviewed and analyzed to further measure the potential market depth for the subject proposal.

This study assumes Low Income Housing Tax Credits (LIHTC) will be utilized in the development of the subject rental facility, along with the associated rent and income restrictions obtained from HUD and Georgia Department of Community Affairs (DCA). As a result, the proposed Carrollton Crossing Apartments will feature a total of 72 units (16 one-bedroom, 32 two-bedroom, and 24 three-bedroom units), with 64 units restricted to households earning between 50 percent and 60 percent of the area median income (AMI), and eight units at market rents.

## II. EXECUTIVE SUMMARY

Based on the information collected and presented within this report, sufficient evidence has been introduced for the successful introduction and absorption of the subject proposal within the Carrollton market area. As such, the following summary highlights the key findings and conclusions reached from this information:

- 1) Based on U.S. Census figures and ESRI forecasts, demographic patterns throughout the Carrollton area have been extremely strong since 1990. The overall population within the PMA increased by eight percent between 2000 and 2008, representing nearly 13,500 additional residents during this time. Further, future projections indicate these gains will accelerate, with an increase of 44 percent (roughly 20,200 persons) anticipated between 2000 and 2012. These trends clearly provide an indication for the need of adequate housing to compensate for this future growth.
- 2) Current economic conditions for the Carrollton area are stable, with unemployment rates slightly above both state and national averages. Overall, the number of jobs within Carroll County has increased by more than 7,100 jobs since 2000 (16 percent increase). According to the most recent employment data, the unemployment rate for Carroll County was 5.8 percent for April 2008, remaining somewhat above the state average of 5.0 percent. However, this figure represented more than 950 new jobs from April 2007 levels.
- 3) The proposed rental rates within the subject are competitive and compare favorably with other LIHTC and newer market rate properties in the area, and are presented in the following figure:

LIHTC RENTS			
	<u>Subject*</u>	<u>Hays Mill Court*</u>	<u>Magnolia Lake*</u>
One-Bedroom Units	\$536-\$595	\$513-\$583	\$595
Two-Bedroom Units	\$633-\$695	\$616-\$661	\$695
Three-Bedroom Units	\$718-\$795	NA	\$795
MARKET RENTS			
	<u>Subject</u>	<u>Hays Mill Court</u>	<u>Magnolia Lake</u>
One-Bedroom Units	\$659	\$583	\$650
Two-Bedroom Units	\$750	\$661	\$750
Three-Bedroom Units	\$850	NA	\$850
UNIT SIZES			
	<u>Subject</u>	<u>Hays Mill Court</u>	<u>Magnolia Lake</u>
One-Bedroom Units	825	690	975
Two-Bedroom Units	1,041	873	1,175
Three-Bedroom Units	1,205	NA	1,350

\*NOTE: Rent ranges reflect units at 50% and 60% AMI for the subject;

\*NOTE: Rent ranges reflect units at 40% and 60% AMI for Hays Mill Court;

\*NOTE: Rent ranges reflect units at 60% AMI for Magnolia Lake Apts.

- 4) Additionally, the proposal's competitive unit sizes and the inclusion of numerous modern amenities that are not as common throughout the local market demonstrate the true affordability of the proposal. As such, the proposal's unit rent, unit mix, and unit sizes are appropriate for the Carrollton rental market.
- 5) The amenity package within the proposal is extremely competitive to other developments (tax credit and market rate) throughout the market area. Key amenities include central air, dishwasher, garbage disposal, microwave, in-unit washer and dryer, clubhouse, exercise/fitness room, equipped computer center, and swimming pool – giving the subject a competitive advantage over most local properties.
- 6) The location of the project is generally positive. The subject property is situated in the northern portion of the city along the west side of North Park Street (U.S. 27), providing convenient access to much of the area's retail, medical, recreation, schools, and other necessary services. While several neighborhood convenience stores are within walking distance of the subject property, Riverbridge Shopping Center can be found within ½ mile. In addition, most larger retail concentrations (including Wal-Mart Supercenter) are located within 3½ miles of the site.
- 7) Demand estimates for the proposed development show strong statistical support for the introduction and absorption of additional rental units within the Carrollton PMA. Approximately 28 percent of all renter households are income-qualified for the tax credit portion of the project, resulting in an overall capture rate of eight percent. Additionally, capture rates range between one and ten percent for each individual unit size and income type, all clearly within DCA accepted thresholds
- 8) The overall stabilization period to reach 93 percent occupancy is estimated at 7 to 10 months. Additionally, the projected stabilized occupancy level is estimated at 95 percent. As such, evidence presented within the market study suggests a normal lease-up period should be anticipated based on project characteristics as proposed.
- 9) Occupancy rates for rental housing appear relatively positive throughout the market area. An overall occupancy rate of 95 percent was calculated from a May 2008 survey of 25 rental developments identified and contacted within the PMA. Additionally, 18 of the properties had an occupancy rate of 95 percent or greater, and 10 were 99 or 100 percent occupied. When considering only the two tax credit properties included in the report, a combined occupancy rate of 96 percent was determined, clearly demonstrating the strength of the local rental market for affordable rental units.

- 10) Considering the subject's location, proposed amenities, competitive rental rates and unit sizes, as well as the relative strength of the overall rental market, the development of Carrollton Crossing Apartments should prove successful. Coupled with the extremely positive demographic patterns forecast within the PMA, as well as generally stable economic conditions, no market-related concerns are present.

## Capture Rate Analysis Chart

Unit Type	Income Targeting	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Estimated Absorption	Avg. Market Rent	Proposed Rents
One-Bedroom Units	50% AMI	5	390	6	384	1.3%	2 months	\$564	\$536
One-Bedroom Units	60% AMI	9	461	35	426	2.1%	5 months	\$564	\$595
One-Bedroom Units	Market Rate	2	583	13	570	0.4%	2 months	\$494	\$659
One-Bedroom Units	<b>Total LIHTC</b>	<b>14</b>	<b>632</b>	<b>41</b>	<b>591</b>	<b>2.4%</b>	<b>3-5 months</b>		
Two-Bedroom Units	50% AMI	10	226	10	216	4.6%	6 months	\$657	\$633
Two-Bedroom Units	60% AMI	19	328	137	191	9.9%	10 months	\$657	\$695
Two-Bedroom Units	Market Rate	3	596	47	549	0.5%	2 months	\$630	\$750
Two-Bedroom Units	<b>Total LIHTC</b>	<b>29</b>	<b>459</b>	<b>147</b>	<b>312</b>	<b>9.3%</b>	<b>6-10 months</b>		
Three-Bedroom Units	50% AMI	7	245	0	245	2.9%	4 months	\$795	\$718
Three-Bedroom Units	60% AMI	14	359	20	339	4.1%	9 months	\$795	\$795
Three-Bedroom Units	Market Rate	3	450	10	440	0.7%	2 months	\$735	\$850
Three-Bedroom Units	<b>Total LIHTC</b>	<b>21</b>	<b>455</b>	<b>20</b>	<b>435</b>	<b>4.8%</b>	<b>5-9 months</b>		
Proposed Project Capture Rate - LIHTC Units		8.1%							
Proposed Project Capture Rate - Market Units		1.3%							
Proposed Project Capture Rate - ALL Units		8.0%							
Proposed Project Stabilization Period		7-10 months							



### III. PROJECT DESCRIPTION

Based on project information supplied by DCA, the analysis presented within this report is based on the following development configuration and assumptions:

#### Project Description:

Development Location.....	Carrollton, Georgia
.....	North Park Street
Construction Type.....	New construction
Occupancy Type .....	Family ( <i>open</i> )
Special Population Group .....	6 units will be set aside for special categories
Number of Units/Bedrooms .....	See below
Structure Type.....	See below
Rents and Utility Allowance .....	See following page
Proposed Rental Assistance .....	Georgia DCA ( <i>3 units</i> )
Proposed Amenities .....	See following page
Projected Placed-In-Service Date .....	December 31, 201009
Current Occupancy Level .....	N/A
Target Income Group.....	\$22,869 to \$46,150 ( <i>up to \$50,000 for market units</i> )

#### Project Size:

Total Development Size.....	72 units
Number of Affordable Units .....	64 units
Number of Market Rate Units.....	8 units
Number of PBRA Units .....	3 units

#### Development Characteristics:

Number of Total Buildings .....	8 buildings
Number of Residential Buildings.....	7 buildings
Number of Non-Residential Buildings .....	1 building
Total Area of Site.....	7.51 acres

Number of Mobility Impaired Units .....	4 units
Number of Sight/Hearing Impaired Units.....	2 units
Number of Residential Parking Spaces.....	144 spaces

#### Income Targeting/Project Mix:

	<u>Total</u>	<u>50%</u> <u>AMI</u>	<u>60%</u> <u>AMI</u>	<u>Market</u> <u>Rate</u>
One-bedroom/one-bath units .....	16 units	5	9	2
Two-bedroom/two-bath units.....	32 units	10	19	3
Three-bedroom/two-bath units.....	24 units	7	14	3
<b>Total Units .....</b>	<b>72 units</b>	<b>22</b>	<b>42</b>	<b>8</b>

**Square Feet:**

One-bedroom units.....	825 square feet
Two-bedroom units.....	1,041 square feet
Three-bedroom units.....	1,205 square feet

**Rental Rates: (Proposed contract rents net of utility allowance)**

	<b>50%</b>	<b>60%</b>	<b>Market</b>
	<b><u>AMI</u></b>	<b><u>AMI</u></b>	<b><u>Rate</u></b>
One-bedroom units.....	\$536.....	\$595.....	\$659
Two-bedroom units.....	\$633.....	\$695.....	\$750
Three-bedroom units.....	\$718.....	\$795.....	\$850

**Unit Amenities:**

- |                    |                                    |
|--------------------|------------------------------------|
| ➤ Refrigerator     | ➤ Central HVAC System              |
| ➤ Oven/Range       | ➤ Carbon Monoxide Fire Suppression |
| ➤ Garbage Disposal | ➤ In-unit Washer and Dryer         |
| ➤ Dishwasher       |                                    |
| ➤ Microwave        |                                    |

**Development Amenities:**

- |                               |                                  |
|-------------------------------|----------------------------------|
| ➤ Community Building          | ➤ Furnished Library              |
| ➤ Equipped Computer Center    | ➤ Covered Pavilion               |
| ➤ Equipped Fitness Center     | ➤ Picnic and Barbeque Facilities |
| ➤ Equipped Playground/Tot Lot | ➤ Swimming Pool                  |
| ➤ Swimming Pool               |                                  |

**Additional Assumptions:**

- Only trash removal will be included in the rent. Electricity (including electric heat pump), water, sewer, cable television, internet, and telephone charges will be paid by the tenant;
- Market entry is scheduled for December 31, 2010;
- On-site full-time management/staffing, including a professional management company with experience in similar rental housing alternatives will be contracted to operate the facility, with pre-leasing activities beginning as soon as possible.

**A. Proposed Unit Configuration Structure**

<b>Project Name: CARROLLTON CROSSING APARTMENTS</b>									
<b>Location: Carrollton, Georgia</b>									
<b>County: Carroll County</b>									
<b>Total Units: 72</b>									
<b>Occupancy Type: Family</b>									
<b>Construction Type: New Construction</b>									
<b>Income Targeting*:</b>									
<i>Overall - \$22,870 to \$50,000</i>									
<i>50% AMI - \$22,870 to \$38,450</i>									
<i>60% AMI - \$24,890 to \$46,150</i>									
<i>Market Rate - \$26,360 to \$50,000</i>									
Targeting/Mix	Number of Units	Unit Type	Number of Baths	Square Feet	Contract Rent	Utility Allowance	Gross Rent	Max. LIHTC Rent*	Includes PBRA
One-Bedroom Units	16								
50% of Area Median Income	5	Apt	1.0	825	\$536	\$131	\$667	\$667	No
60% of Area Median Income	9	Apt	1.0	825	\$595	\$131	\$726	\$801	No
Market Rate	2	Apt	1.0	825	\$659	---	---	---	---
Two-Bedroom Units	32								
50% of Area Median Income	3	Apt	2.0	1,041	\$633	\$168	\$801	\$801	Yes
50% of Area Median Income	7	Apt	2.0	1,041	\$633	\$168	\$801	\$801	No
60% of Area Median Income	19	Apt	2.0	1,041	\$695	\$168	\$863	\$961	No
Market Rate	3	Apt	2.0	1,041	\$750	---	---	---	---
Three-Bedroom Units	24								
50% of Area Median Income	7	Apt	2.0	1,205	\$718	\$207	\$925	\$925	No
60% of Area Median Income	14	Apt	2.0	1,205	\$795	\$207	\$1,002	\$1,110	No
Market Rate	3	Apt	2.0	1,205	\$850	---	---	---	---

\***Maximum Rents** based on 2008 Program Maximum Gross Rent Tables for the Atlanta-Sandy Springs-Marietta MSA obtained from Georgia DCA website; **Maximum Income Limits** based on HUD Area Median Incomes published on HUDUSER website.

## IV. SITE EVALUATION AND CHARACTERISTICS

### A. Site Neighborhood and Overview

The subject property is located in the northern portion of the city of Carrollton along the west side of North Park Street (U.S. 27), less than ¼ mile north of Kings Bridge Road at the junction of Rome Street. Characteristics of the immediate neighborhood are predominantly commercial (along Park Street), along with a mixture of undeveloped vacant property and city facilities. Directly north of the subject is the Carrollton Street and Sanitation Department (with a fuel filling station adjacent to the site) and the city water treatment facility, while undeveloped wooded property can be found to the south and a small lake to the west. Adjacent to the east of the site is a commercial business (Acro Signs – in fair condition) and vacant property, while another commercial business (Buck Creek Outdoors – in good condition), can be found to the southeast. The subject property consists of approximately 7.5 acres of mostly wooded property situated within Census Tract 9905.02 of Carroll County (a Qualified Census Tract) with current zoning acceptable for the development of multi-family units. Although most of the undeveloped property surrounding the site is commercial, current zoning and/or usages throughout the neighborhood should not impede or negatively affect the viability of the subject proposal. Adjacent land usage is as follows:

- North:** City maintenance facility and filling station
- South:** Undeveloped, wooded property
- West:** Zyzzx Street/small lake or reservoir
- East:** Commercial property/Park Street (U.S. 27)

Primary access to the site will be from Park Street, representing a highly-traveled five-lane roadway providing direct access to downtown Carrollton and other key retail, education, recreation, medical, and employment locales throughout the area. Directly west of the site (however, with no access drive to the site) is Zyzzx Street, which is a one-third mile long service drive providing access from Kings Bridge Road to the Carroll County Animal Shelter and Carrollton City Street and Sanitation Department maintenance facility.

Overall, the immediate neighborhood of the subject property can be characterized as commercial, although several additional land usages are nearby. Furthermore, most properties nearby are in good condition.

**B. Nearby Retail**

While a few convenience stores can be found directly east of the site (on the east side of Park Street), much of the area's various shopping, schools, medical offices, and employment are a relatively short drive from the subject property. The nearest retail concentration is the Riverbridge Shopping Center, located less than ½ mile north of the subject along Park Street, which includes a grocery, restaurants, and other opportunities. Additional retail near the site includes Dollar General and Ace Hardware, both within one-third mile. In addition to downtown Carrollton (situated approximately one mile to the south), most of the area's larger retail concentrations can be found along Park Street near the intersection of Highway 166 (South Bypass). As such, this area includes the McIntosh Plaza, Carrollton Crossroads shopping center, Home Depot, and a Wal-Mart Supercenter – all within 3½ miles of the subject property. Additional retail can be found east of the subject along Bankhead Highway, most of which are within three miles of the site.

**C. Medical Offices and Hospitals**

Numerous medical services and offices for local residents can be found throughout the Carrollton area. Tanner Medical Center is a 202-bed acute inpatient hospital situated just south of the downtown area, approximately two miles south of the site. In addition, several medical clinics and offices are situated near the hospital (including the Ejese Urgent Care, West Georgia Specialty Center, and Children's Healthcare of West Georgia), as well as numerous dentists, chiropractors, and other specialties.

**D. Educational Opportunities**

The subject property is within the Carrollton City School System, which serve's approximately 3,600 students. The school system is centralized on a 150-acre campus approximately 2½ miles south of the site, and includes four schools - Carrollton Elementary (Pre-K to 3<sup>rd</sup> grade), Carrollton Middle School (4<sup>th</sup> and 5<sup>th</sup> grades), Carrollton Junior High (6<sup>th</sup> through 8<sup>th</sup> grades), and Carrollton High School (9<sup>th</sup> through 12<sup>th</sup> grades). Higher education opportunities locally can be found at the University of West Georgia (a four-year state university with more than 10,000 students), and West Central Technical College.

### **E. Other PMA Services**

Additional services of note within the market area include numerous parks and recreation facilities throughout the city, the nearest of which is the WPA Center and Safari Park, located just over ½ mile south of the site along Park Street. Larger recreation centers (offering baseball, soccer, basketball, swimming, and other services and facilities) include the East Carrollton Recreation Center, Lakeshore Recreation Center and Natatorium, Midtown Water Park, the West Carrollton Center, and the Carrollton Community Activities Center, all situated within three miles of the site. In addition, the Neva Lomason Memorial Library can be found just north of downtown Carrollton, approximately ¾ mile away. Scheduled bus/transit services are not offered locally

Overall, most necessary services are within a short drive of the site, with a grocery, pharmacy, several convenience stores, schools, restaurants, and other various services all within 2½ miles. Based on a site visit conducted May 14<sup>th</sup> and 15<sup>th</sup>, 2008, overall site characteristics can be viewed as mostly positive, with no significant visible nuances that can have a potentially negative effect on the marketability or absorption of the subject property. While the subject property has prime visibility along a highly-traveled roadway, a somewhat negative aspect of the site is the potential environmental effect of the city filling station site adjacent to the north.

The following identifies pertinent locations and features within the Carrollton market area, and can be found on the following map by the number next to the corresponding description (*all distances are estimated by paved roadway*):

#### ***Retail***

1. Riverbridge shopping center .....0.4 miles north  
(w/ Ingle's grocery, Curves, Money Tree, Nail X-Perts, Salon 931, Giovanni's Pizza and Subs, LaVaquerita Mexica Taqueria restaurant)
2. Ace Hardware .....0.3 miles north
3. Dollar General.....0.1 miles north
4. Park Place Grocery .....0.9 miles north
5. Family Dollar .....0.7 miles south
6. Various convenience/party stores .....within 1 mile of site
7. Rite-Aid Pharmacy.....1.1 miles south
8. Smith Foods grocery .....1.4 miles southwest
9. Dollar General.....1.5 miles southwest
10. Blockbuster Video .....1.7 miles south

11. West Georgia Shopping Center .....2.0 miles south  
(w/ Food Lion grocery, Staple's, Rent-A-Center, Hair Affair Salon, Loco's Deli and Pub, Gamers)
12. Big Kmart.....2.3 miles east
13. Tower Plaza .....2.0 miles east  
(w/ Southern Family Market grocery, Family Dollar, ColorTyme, Subway, New China Chinese Restaurant, Queen Nails)
14. Big Lots.....3.0 miles east
15. First Tuesday Mall .....3.0 miles east  
(w/ Food Depot, Fred's, Citi-Trends, Farmers Home Furniture)
16. McIntosh Plaza.....2.4 miles south  
(w/ Target, Belk, Publix Food and Pharmacy, Blockbuster Video, Dollar Tree, Hibbett Sports, Bath and Body Works, Quiznos Subs, Nail Optics, General Nutrition Center, The UPS Store, Great Clips for Hair, Sears Optical)
17. Carrollton Crossroads shopping center .....2.8 miles south  
(w/ Kroger Food and Pharmacy, Hobby Lobby, Pet Supplies Plus, Cato Fashions, TJ Maxx, Payless Shoe Source, Famous Footwear, Ross Dress for Less, Pearle Vision, Friedman's Jewelry, Rue 21, Sally Beauty Supply, Hair Cuttely)
18. Home Depot.....3.0 miles south
19. Wal-Mart Supercenter.....3.5 miles south

### **Medical**

20. Tanner Medical Center .....2.0 miles south
21. West Georgia Specialty Center.....1.9 miles south
22. Children's Healthcare of West Georgia.....2.0 miles south
23. Ejese Urgent Care .....1.7 miles south

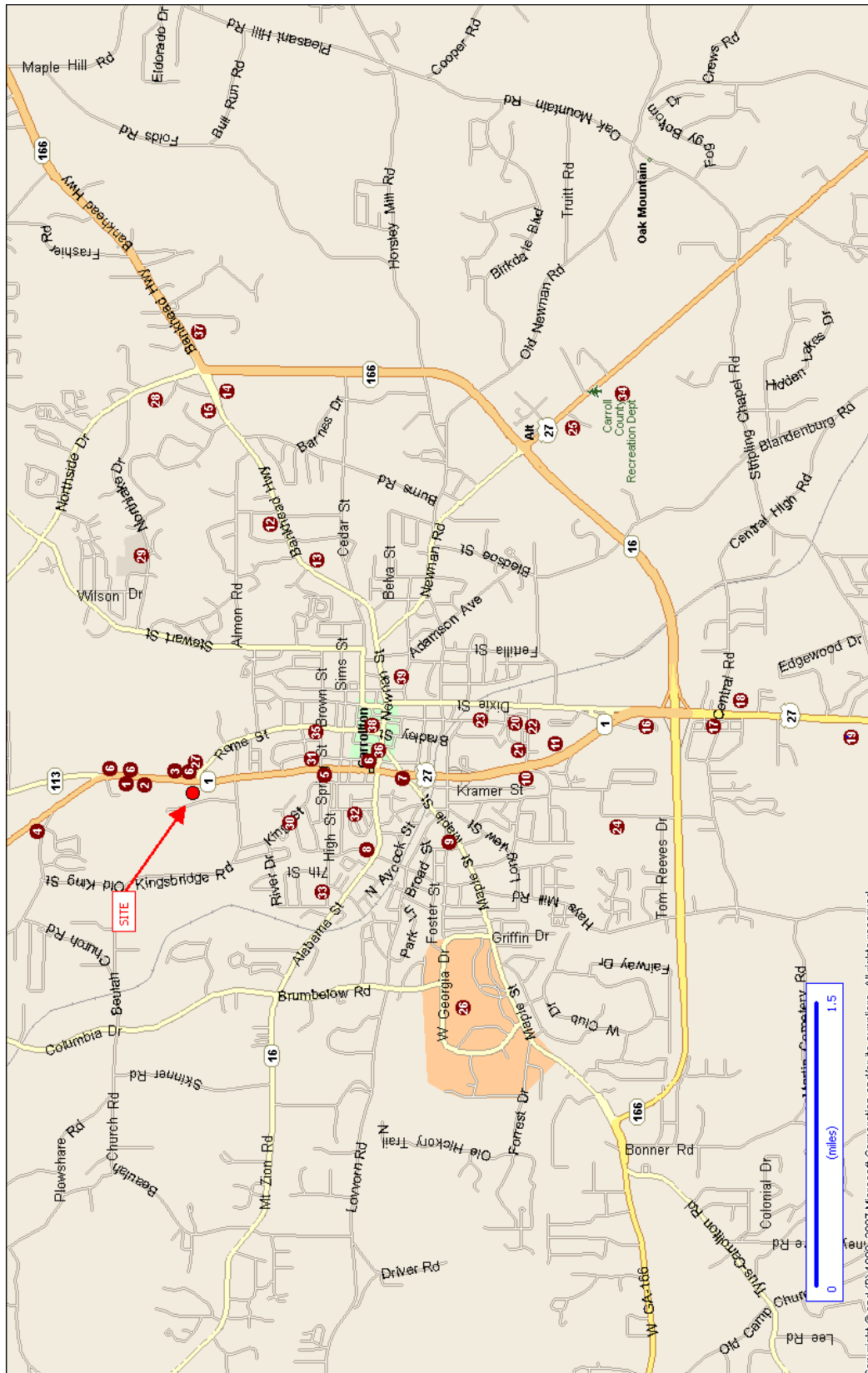
### **Education**

24. Carrollton City Schools Campus .....2.4 miles south  
(Includes Carrollton Elementary, Carrollton Middle School, Carrollton Junior High, and Carrollton High School)
25. West Central Technical College – Carroll Campus.....3.3 miles southeast
26. University of West Georgia (shaded orange) .....2.1 miles southwest
27. Children's Friend Learning Center .....0.1 miles east

### **Recreation/Other**

28. East Carrollton Recreation Center .....2.9 miles east
29. Lakeshore Recreation Center and Lakeshore Natatorium .....2.0 miles east
30. Optimist Park .....0.9 miles south
31. WPA Center and Safari Park .....0.6 miles south
32. Midtown Water Park.....1.1 miles south
33. West Carrollton Center .....1.4 miles southwest
34. Carroll County Recreation Athletic Complex.....3.5 miles southeast
35. Neva Lomason Memorial Library (West Georgia Regional Library).....0.7 miles southeast
36. Carrollton Cultural Arts Center .....1.1 miles south
37. Carrollton Stadium Cinemas.....2.8 miles east
38. Downtown Carrollton (shaded green) .....1.1 miles south
39. Carrollton Senior Center .....1.5 miles southeast  
(also Bonner Recreation Center and Carrollton Community Activities Center)

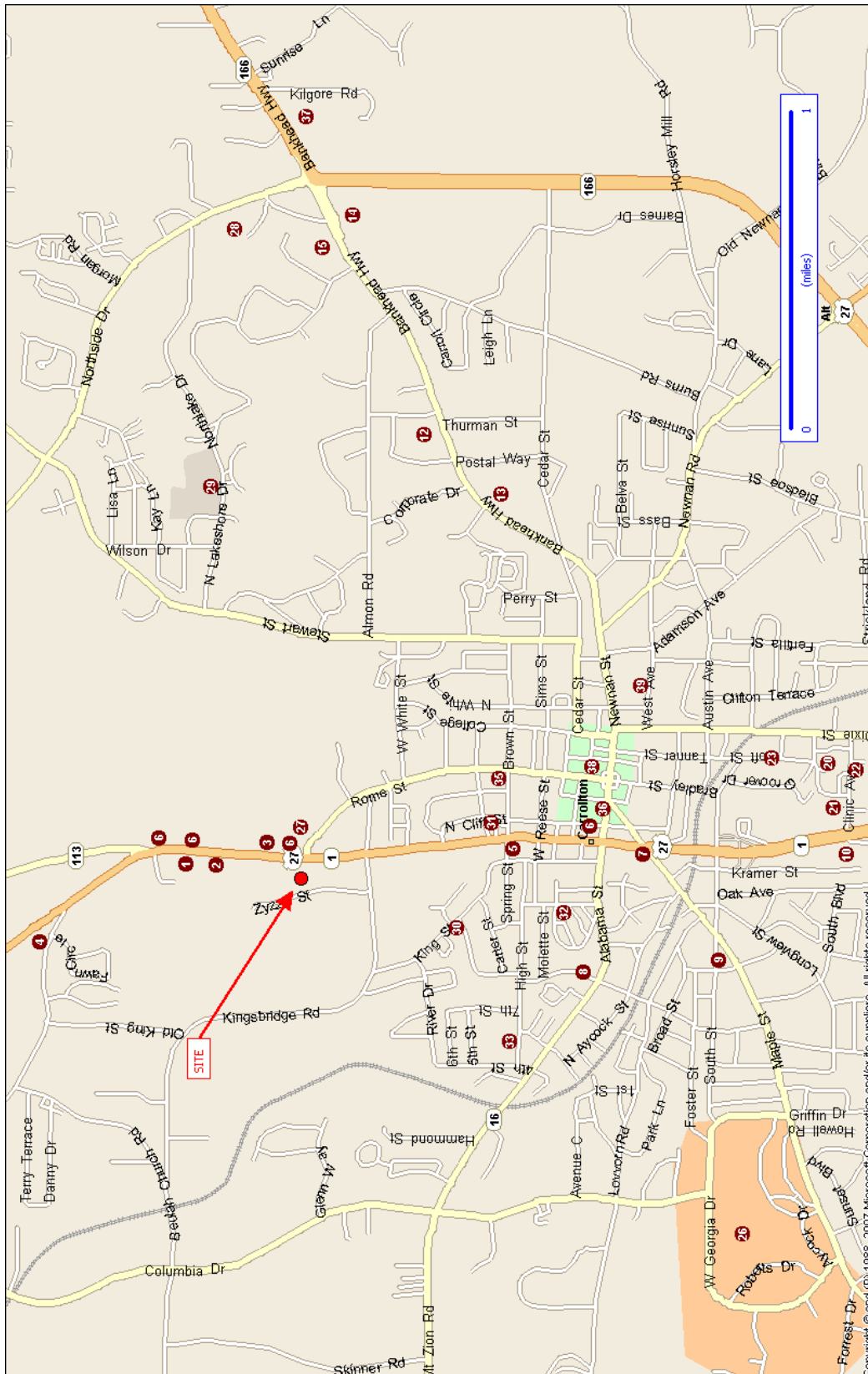
Map 1: Local Features/Amenities



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Map 2: Local Features/Amenities – Local View



*Site/Neighborhood Photos*





Site – Carrollton Crossing  
Photo facing east from subject property



Commercial property adjacent to east of site  
Photo facing north from site entry drive





Vacant wooded property adjacent to south of site  
Photo facing south from site entry drive



Site – Carrollton Crossing  
Facing west from Park Street (U.S. 27)  
Carrollton, Georgia



Exxon gas station/convenience store  
Directly across Park Street from site  
Photo facing east from site entry drive



Junction with Rome Street (Exxon to left)  
Directly across Park Street from site  
Photo facing east from site entry drive





Facing south along Park Street (U.S. 27)  
Site on right side of street



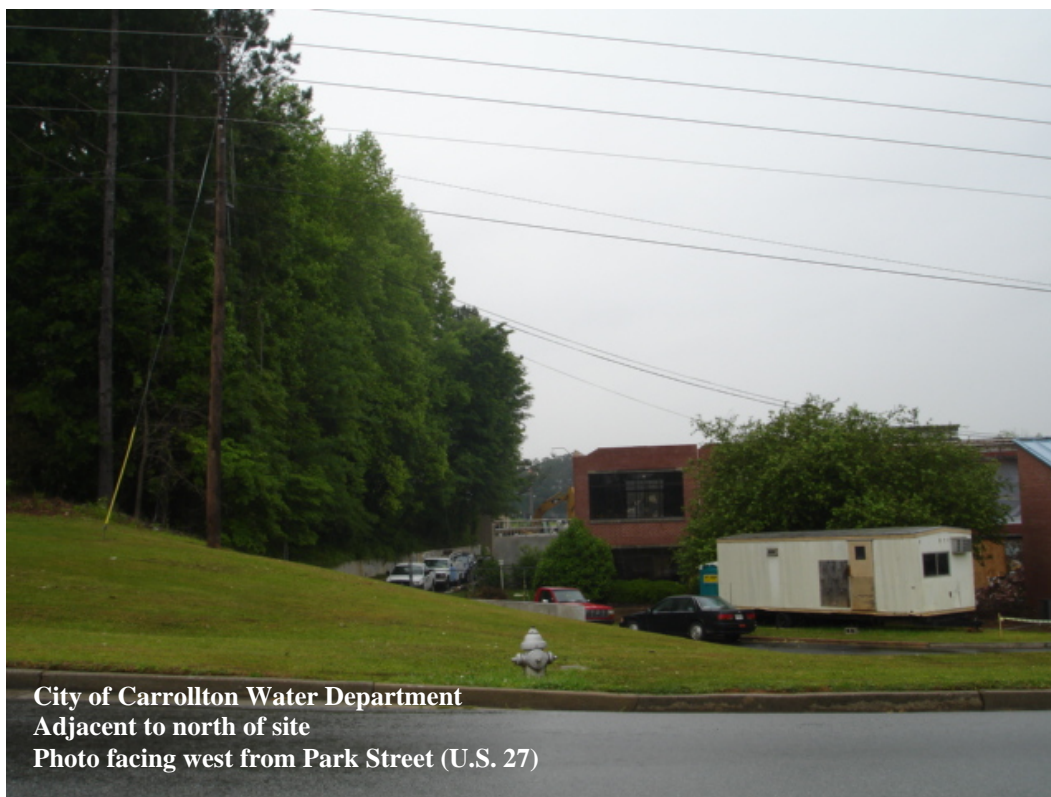
Facing north along Park Street (U.S. 27)  
Site on left side of street







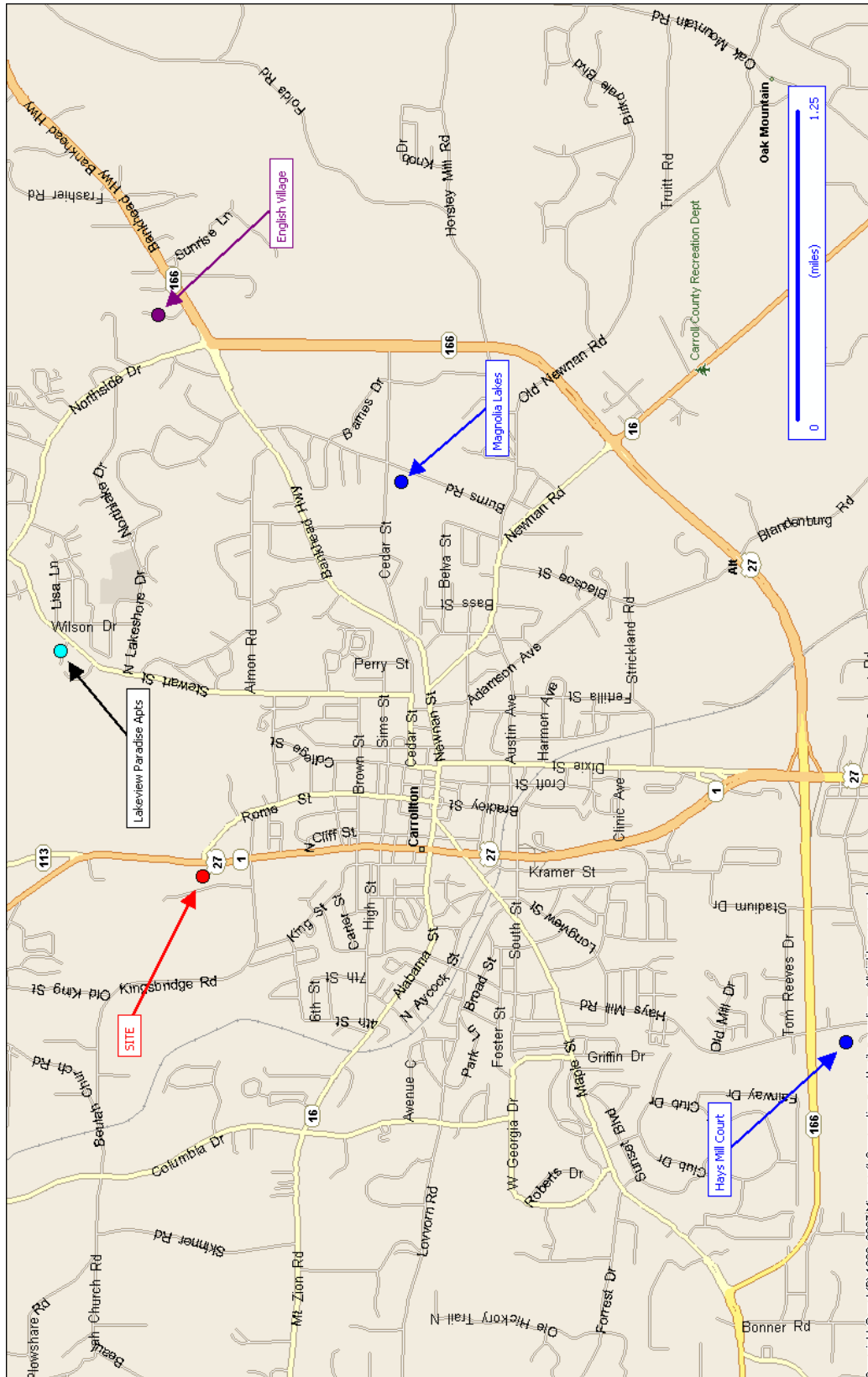
City filling station adjacent to north of site  
Photo facing northeast from end of Zyzzx Street



City of Carrollton Water Department  
Adjacent to north of site  
Photo facing west from Park Street (U.S. 27)



Map 3: Existing Low-Income Housing Properties



## V. PRIMARY MARKET AREA DELINEATION

The Primary Market Area (PMA) is defined as the geographic area from which a property (either proposed or existing) is expected to draw the majority of its residents. For the purpose of this report, the Carrollton PMA consists of the city of Carrollton and the immediate surrounding area. More specifically, the market area consists of eight census tracts and reaches approximately four to six miles from the site, and represents the reasonable area from which the majority of potential residents for the subject development currently reside. As such, Carrollton is the county seat of Carroll County and also the county's foremost economic center, with the majority of medical, educational, recreational, and retail opportunities situated in or immediately surrounding the city. The PMA includes the following census tracts (*all within Carroll County*):

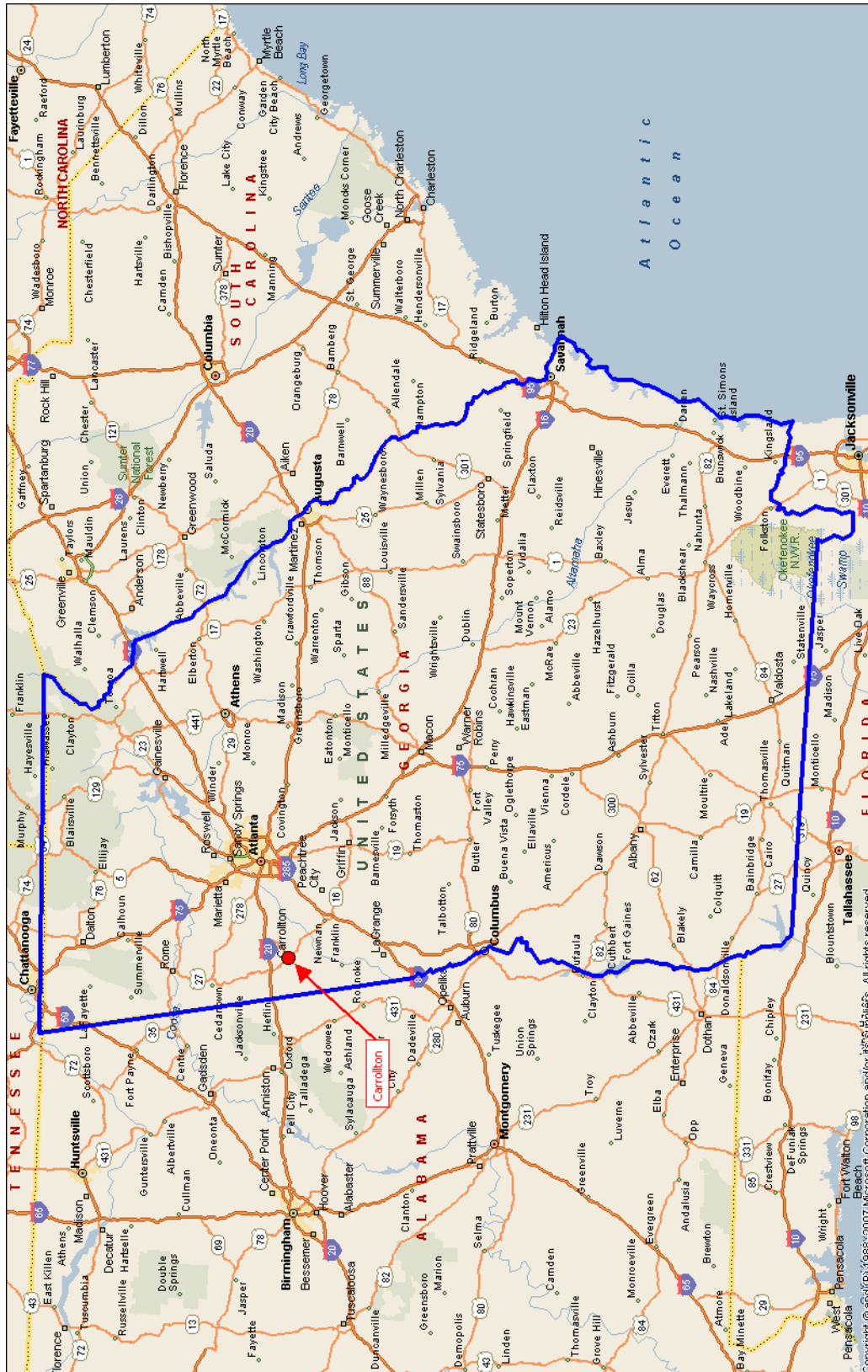
- |                        |                        |                     |
|------------------------|------------------------|---------------------|
| ✓ Census Tract 9905.01 | ✓ Census Tract 9907.01 | ✓ Census Tract 9910 |
| ✓ Census Tract 9905.02 | ✓ Census Tract 9907.02 | ✓ Census Tract 9911 |
| ✓ Census Tract 9906    | ✓ Census Tract 9907.03 |                     |

While not included within the actual analysis throughout this report, it is important to note that neighboring areas close to the PMA could also yield potential residents for the proposed rental community. These areas comprise the Secondary Market Area (SMA), and primarily include persons currently residing throughout the remainder of Carroll County (including the communities of Villa Rica, Temple, Whitesburg, and Bowdon), but also includes additional nearby areas outside of the county such as Breman, Newnan, and Douglasville to a lesser extent. However, please keep in mind that secondary market considerations are not included in the following demand calculations or market analysis, unless otherwise noted.

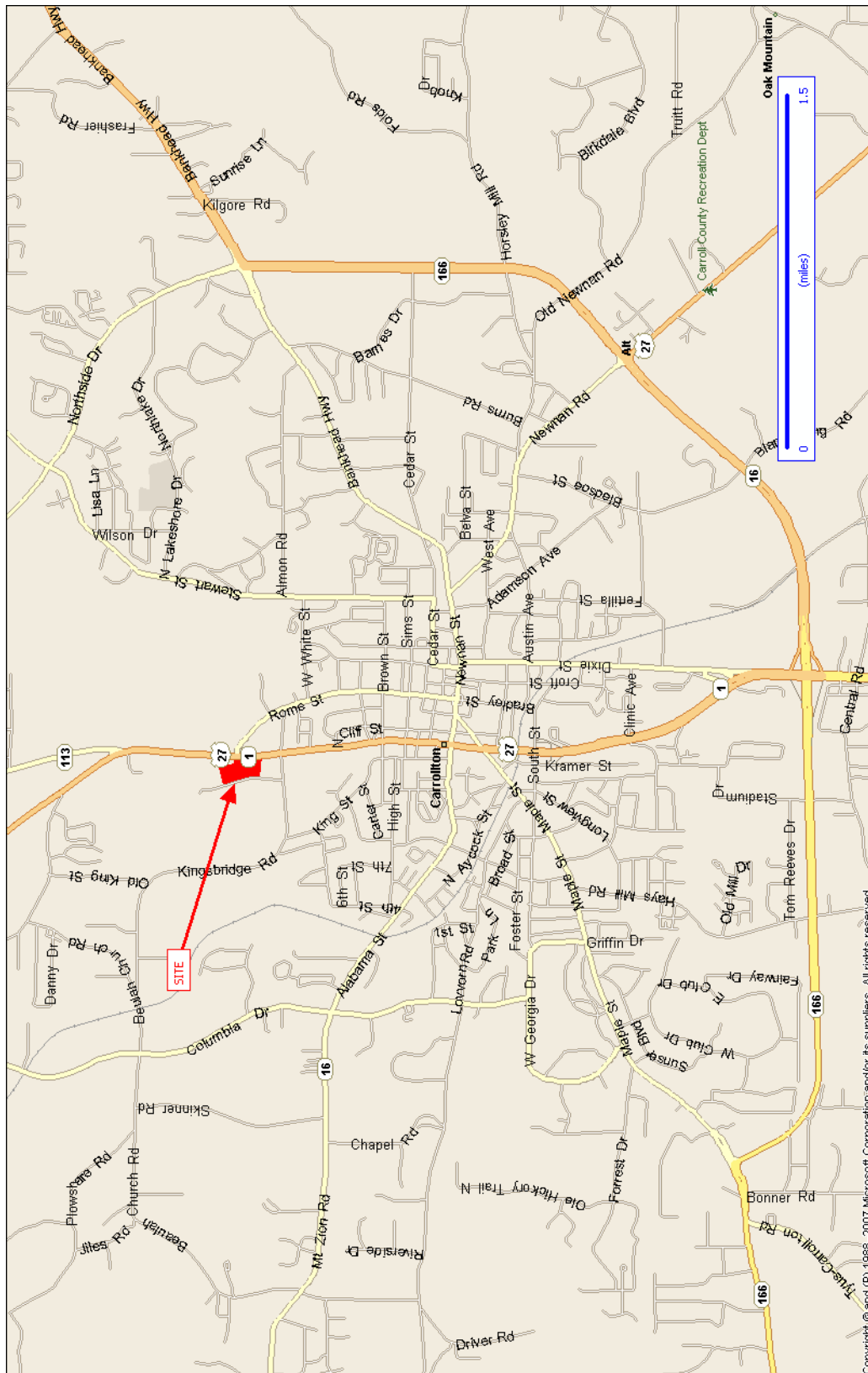
Factors such as socio-economic conditions and patterns, local roadway infrastructure, commuting patterns, physical boundaries, and personal observations and interviews were utilized when defining the primary and secondary market areas. As such, several key transportation routes located near the subject property make the site convenient for persons currently residing both inside and outside of the immediate area. Providing this convenience are several prominent roadways intersecting the PMA – U.S. Highway 27 (adjacent to the site), Highway 16, Highway 166. In addition, Interstate 20 is located approximately eight miles north of the site, offering access to other communities and metropolitan areas throughout the region.

A visual representation of the PMA can be found in the maps on the following pages. The defined market area represents a realistic area from which the majority of potential residents for the subject development currently reside. The following demographic and economic information, comparable properties, and demand analysis are based on the PMA as defined above and highlighted in the following maps. Furthermore, Carrollton and Carroll County as a whole have also been used throughout the analysis for local and regional comparisons.

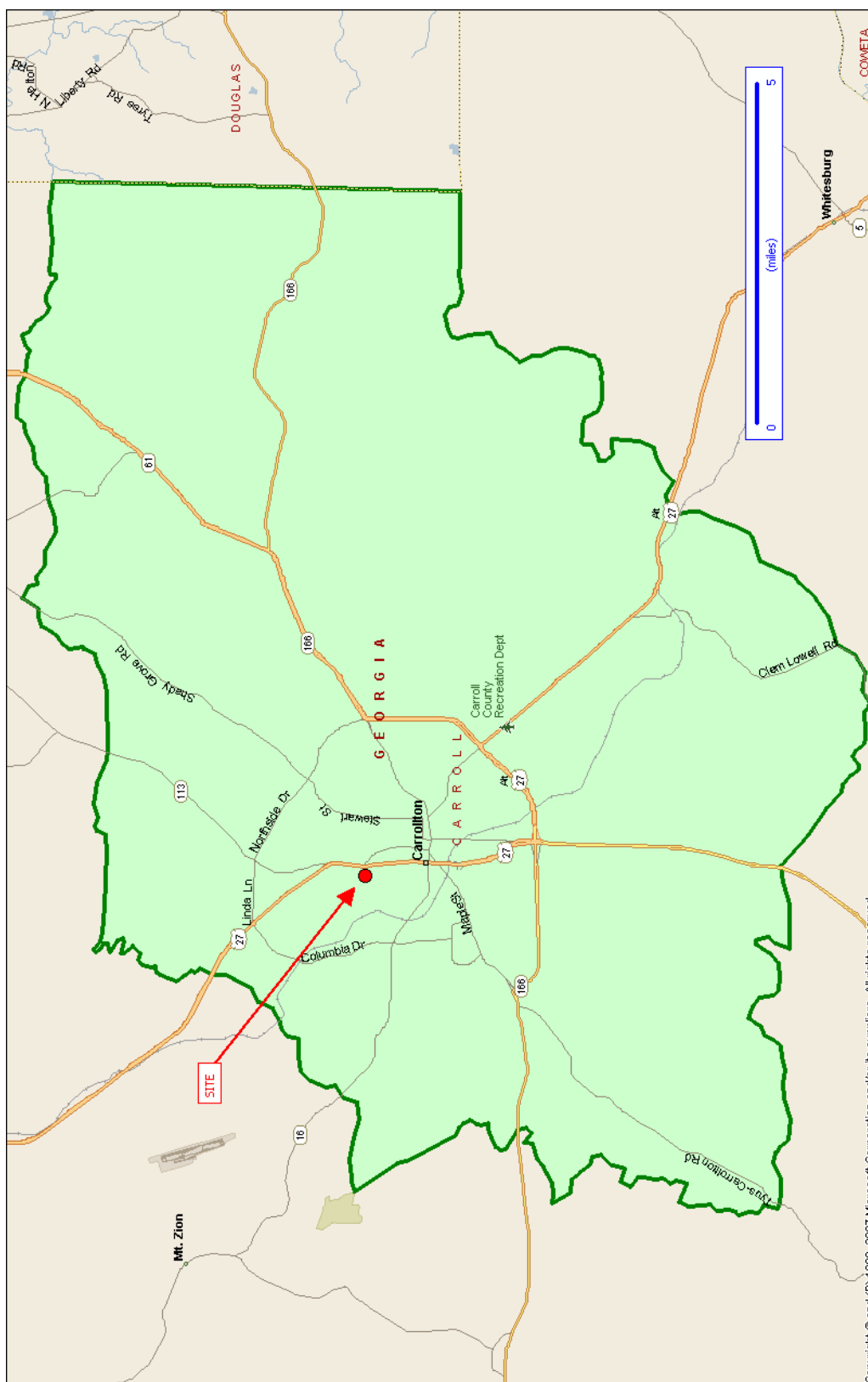
Map 4: State of Georgia



Map 5: Carrollton Area



### Map 6: Carrollton primary market area



## VI. COMMUNITY DEMOGRAPHIC DATA

### A. Population Trends

Based on U.S. Census data and ESRI forecasts, much of Carroll County has experienced extremely positive demographic gains since 1990, including the immediate Carrollton area. According to this information, the Carrollton PMA exhibited growth rates similar to that recorded for the city and county as whole since 2000, with future estimates indicating continued strong increases through 2012.

The PMA had an estimated overall population of 59,427 persons in 2008, representing an increase of 29 percent from 2000 (a gain of nearly 13,500 persons). Similarly, the city of Carrollton increased by 27 percent (nearly 5,300 additional persons) during the same time span to an estimated total of 25,136 persons, which accounts for approximately 42 percent of the overall PMA 2008 population composition. Future projections illustrate continued growth, with an estimated increase of 44 percent within the PMA between 2000 and 2012, and a 40 percent gain for the city. In comparison, Carroll County is estimated to have increased 35 percent between 2000 and 2008, and is expected to increase by 53 percent between 2000 and 2012.

**Table 1: Population Trends (1990 to 2012)**

	<u>1990</u>	<u>2000</u>	<u>2008</u>	<u>2010</u>	<u>2012</u>
City of Carrollton	16,029	19,843	25,136	26,459	27,782
Carrollton PMA	42,765	45,974	59,427	62,791	66,154
Carroll County	71,422	87,268	117,972	125,648	133,324
		<b>1990-2000</b>	<b>2000-2008</b>	<b>2000-2010</b>	<b>2000-2012</b>
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
City of Carrollton		23.8%	26.7%	33.3%	40.0%
Carrollton PMA		7.5%	29.3%	36.6%	43.9%
Carroll County		22.2%	35.2%	44.0%	52.8%
		<b>1990-2000</b>	<b>2000-2008</b>	<b>2008-2010</b>	<b>2008-2012</b>
		<u>Ann. Change</u>	<u>Ann. Change</u>	<u>Ann. Change</u>	<u>Ann. Change</u>
City of Carrollton		2.2%	3.0%	2.6%	2.5%
Carrollton PMA		0.7%	3.3%	2.8%	2.7%
Carroll County		2.0%	3.8%	3.2%	3.1%

Source: U.S. Census of Population and Housing (SF 1) - 1990/2000; ESRI Business Analyst; Shaw Research & Consulting

The largest population group for the PMA in 2000 consisted of persons between the ages of 20 and 44 years, accounting for 40 percent of all persons. In comparison, this age cohort represented 43 percent of persons within the city, and 39 percent for the county. Persons under 20 also accounted for a relatively large portion of the population in each area. As such, 30 percent of the total population in the PMA was under 20 years in 2000, while representing a similar proportion of the overall city and county populations.

When reviewing distribution patterns between 1990 and 2012, the aging of the population is clearly evident within all three areas analyzed. The proportion of persons under the age of 44 has steadily declined since 1990, and is expected to decrease further through 2012. In contrast, the fastest growing portion of the population base is the older age segment. Within the PMA, the 45 to 64 age cohort represented just 17 percent of the population in 1990, but is expected to increase to account for nearly 24 percent of all persons by 2012 – clearly demonstrating the aging of the baby boom generation. This aging trend is also evident in the city and county.

Although decreasing somewhat, the steady percentage of population below the age of 45 seen throughout the PMA (65 percent of all persons in 2012) and city (70 percent) signify positive trends for the subject proposal by continuing to provide a solid base of potential tenants for the subject development.



Table 2: Age Distribution (1990 to 2012)

	City of Carrollton				Carrollton PMA				Carroll County			
	<u>2000 Number</u>	<u>1990 Percent</u>	<u>2000 Percent</u>	<u>2012 Percent</u>	<u>2000 Number</u>	<u>1990 Percent</u>	<u>2000 Percent</u>	<u>2012 Percent</u>	<u>2000 Number</u>	<u>1990 Percent</u>	<u>2000 Percent</u>	<u>2012 Percent</u>
Under 20 years	6,006	29.7%	30.2%	28.1%	13,947	31.4%	30.3%	28.0%	26,399	31.3%	30.3%	28.4%
20 to 24 years	3,436	19.0%	17.3%	16.2%	4,950	11.4%	10.8%	10.2%	7,522	9.7%	8.6%	7.9%
25 to 34 years	2,839	14.8%	14.3%	14.6%	6,702	16.2%	14.6%	13.8%	12,911	16.5%	14.8%	13.3%
35 to 44 years	2,325	11.0%	11.7%	11.2%	6,644	14.4%	14.5%	13.2%	13,216	14.4%	15.1%	14.2%
45 to 54 years	1,743	7.7%	8.8%	10.8%	5,444	9.8%	11.8%	13.0%	10,867	10.4%	12.5%	14.0%
55 to 59 years	667	3.1%	3.4%	4.9%	2,010	3.7%	4.4%	5.8%	4,225	4.0%	4.8%	6.1%
60 to 64 years	587	3.1%	3.0%	4.0%	1,645	3.3%	3.6%	4.9%	3,417	3.4%	3.9%	5.0%
65 to 74 years	1,010	6.1%	5.1%	5.1%	2,431	5.4%	5.3%	6.0%	4,786	5.8%	5.5%	6.6%
75 to 84 years	841	4.3%	4.2%	3.4%	1,549	3.4%	3.4%	3.4%	2,890	3.5%	3.3%	3.2%
85 years and older	389	1.2%	2.0%	1.9%	652	1.0%	1.4%	1.6%	1,035	0.9%	1.2%	1.4%
Under 20 years	6,006	29.7%	30.2%	28.1%	13,947	31.4%	30.3%	28.0%	26,399	31.3%	30.3%	28.4%
20 to 44 years	8,600	44.8%	43.3%	41.9%	18,296	42.1%	39.9%	37.2%	33,649	40.7%	38.5%	35.4%
45 to 64 years	2,997	13.9%	15.2%	19.7%	9,099	16.7%	19.8%	23.8%	18,509	17.8%	21.2%	25.1%
65 years and older	2,240	11.6%	11.3%	10.4%	4,632	9.8%	10.1%	11.0%	8,711	10.2%	10.0%	11.1%
55 years and older	3,494	17.8%	17.7%	19.3%	8,287	16.8%	18.1%	21.7%	16,353	17.6%	18.7%	22.2%
75 years and older	1,230	5.5%	6.2%	5.3%	2,201	4.4%	4.8%	5.0%	3,925	4.4%	4.5%	4.5%
Source: U.S. Census of Population and Housing (SF 1) - 1990 and 2000; ESRI Business Analyst; Shaw Research & Consulting												

Average household sizes throughout Carroll County have remained similar since 2000. While the average household size within the Carrollton PMA decreased by two percent between 1990 and 2000, household sizes are forecast to remain fairly consistent between 2000 and 2012. As such, the PMA had an average household size was 2.62 persons in 2008, representing a slight increase from 2000's average of 2.61 persons.

Overall, the PMA contains somewhat larger household sizes than Carrollton proper, and is more in line with Carroll County as a whole. In comparison to the PMA average of 2.62 persons per household in 2008, Carrollton had an average household size of 2.42 persons, while the county had an average of 2.66 persons per household.

**Table 3: Average Household Size (1990 to 2012)**

	<u>1990</u>	<u>2000</u>	<u>2008</u>	<u>2010</u>	<u>2012</u>
City of Carrollton	2.32	2.37	2.42	2.43	2.44
Carrollton PMA	2.67	2.61	2.62	2.62	2.62
Carroll County	2.71	2.66	2.66	2.66	2.66
	<u>1990-2000</u>	<u>2000-2008</u>	<u>2000-2010</u>	<u>2000-2012</u>	
	<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>	
City of Carrollton	1.9%	2.2%	2.6%	3.0%	
Carrollton PMA	-2.1%	0.1%	0.1%	0.1%	
Carroll County	-1.7%	-0.1%	-0.1%	-0.1%	
Source: U.S. Census of Population and Housing (SF 1) - 1990/2000; ESRI Business Analyst; Shaw Research & Consulting					

**B. Household Trends**

Similar to population patterns, the Carrollton PMA experienced relatively strong household creation between 1990 and 2008, with additional solid gains anticipated through 2012. Occupied households within the PMA numbered 21,501 units in 2008, representing an increase of 31 percent from 2000 (an increase of more than 5,100 households). ESRI forecasts for 2012 indicate the number of households within the PMA will continue to grow – with an increase of 47 percent (approximately 7,700 additional households) between 2000 and 2012.

In comparison, the number of households within Carrollton increased by 29 percent between 2000 and 2008, with future projections indicating an increase of 43 percent between 2000 and 2012. Future household growth rates for Carroll County are somewhat greater than both the city and PMA, demonstrating strong demographic patterns throughout the region.

**Table 4: Household Trends (1990 to 2012)**

	<u>1990</u>	<u>2000</u>	<u>2008</u>	<u>2010</u>	<u>2012</u>
City of Carrollton	5,890	7,121	9,154	9,662	10,170
Carrollton PMA	15,025	16,367	21,501	22,785	24,068
Carroll County	25,370	31,568	43,128	46,018	48,908
		<u>1990-2000</u>	<u>2000-2008</u>	<u>2000-2010</u>	<u>2000-2012</u>
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
City of Carrollton		20.9%	28.5%	35.7%	42.8%
Carrollton PMA		8.9%	31.4%	39.2%	47.1%
Carroll County		24.4%	36.6%	45.8%	54.9%
Source: U.S. Census of Population and Housing (SF 1) - 1990/2000; ESRI Business Analyst; Shaw Research & Consulting					

Renter-occupied households throughout the Carrollton market area have also exhibited positive gains, with growth rates similar to those for overall households. A total of 7,808 renter-occupied households were estimated for the PMA for 2008, representing an increase of 29 percent from 2000 figures (a gain of more than 1,750 rental units). In addition, the number of renter units is estimated to have increased by 18 percent in the city between 2000 and 2008, while increasing by 35 percent for the county as a whole.

Overall, a relatively high ratio of renter households exists throughout the Carrollton market area. For the PMA, the renter household percentage was calculated at 36 percent in 2008, slightly higher than the county, but notably lower than Carrollton itself. It should also be noted that renter propensities have declined somewhat since 2000 within the PMA, as well as Carrollton and Carroll County – a trend consistent with most areas of the state as home ownership opportunities have increased.

**Table 5: Renter Household Trends (1990 to 2000)**

	<u>1990</u>	<u>2000</u>	<u>2008</u>	<u>1990-2000</u> <u>Change</u>	<u>2000-2008</u> <u>Change</u>
<b>City of Carrollton</b>	3,542	4,301	5,086	21.4%	18.3%
<b>Carrollton PMA</b>	5,348	6,049	7,808	13.1%	29.1%
<b>Carroll County</b>	7,754	9,300	12,510	19.9%	34.5%
	<b>% Renter</b>	<b>% Renter</b>	<b>% Renter</b>		
	<u>1990</u>	<u>2000</u>	<u>2008</u>		
<b>City of Carrollton</b>	60.1%	60.4%	55.6%		
<b>Carrollton PMA</b>	35.6%	37.0%	36.3%		
<b>Carroll County</b>	30.6%	29.5%	29.0%		

Source: U.S. Census of Population and Housing (SF 1) - 1990/2000; ESRI Business Analyst; Shaw Research & Consulting

**C. Housing Stock Composition**

The housing stock within the PMA was quite diverse in 2000, consisting predominantly of a mixture of single-family and multi-family structures. According to U.S. Census data, approximately 68 percent of all households within the PMA were single-family dwellings, while 21 percent were in multi-family structures (apartments or condominiums). Mobile homes, trailers, and other arrangements represented the remaining 11 percent of households within the PMA. For Carrollton proper, just 53 percent of all housing units were single-family in nature, while nearly 45 percent were multi-family structures, demonstrating that the vast majority of the market area's multi-family units can be found within the city itself (93 percent).

**Table 6: Housing Stock Composition (2000)**

	<b>City of Carrollton</b>	<b>Carrollton PMA</b>	<b>Carroll County</b>
<b>Single-Family</b>	<b>3,760</b>	<b>11,144</b>	<b>21,967</b>
Percent of total units	52.7%	68.1%	69.6%
<b>Multi-Family</b>	<b>3,242</b>	<b>3,499</b>	<b>4,063</b>
Percent of total units	45.4%	21.4%	12.9%
<b>2 to 4 units</b>	<b>1,269</b>	<b>1,459</b>	<b>1,827</b>
Percent of total units	17.8%	8.9%	5.8%
<b>5 or more units</b>	<b>1,973</b>	<b>2,040</b>	<b>2,236</b>
Percent of total units	27.6%	12.5%	7.1%
<b>Mobile Homes - Total</b>	<b>138</b>	<b>1,715</b>	<b>5,529</b>
Percent of total units	1.9%	10.5%	17.5%
<b>Other</b>	<b>0</b>	<b>9</b>	<b>9</b>
Percent of total units	0.0%	0.1%	0.0%
Source: U.S. Census of Population and Housing (SF 3) - 2000			

**D. Median Gross Rent and Unit Size**

According to Census data, the median gross rent within the Carrollton PMA increased from \$352 in 1990 to \$489 in 2000, representing an increase of 39 percent and an average annual increase of 3.4 percent from 1990 levels. Median rent levels for the market area were somewhat greater than that recorded for the city (seven percent higher), and more in line to that recorded by the county. Rent appreciation during the past decade was quite strong for the PMA and county, each area increasing by an average of 3.4 percent annually – representative of a reasonably healthy rental sector.

**Table 7: Median Gross Rent (1990 to 2000)**

	<u>1990</u>	<u>2000</u>	<u>1990-2000</u> <u>Change</u>	<u>1990-2000</u> <u>Annual</u>
<b>City of Carrollton</b>	\$341	\$458	34.3%	3.0%
<b>Carrollton PMA</b>	\$352	\$489	39.0%	3.4%
<b>Carroll County</b>	\$351	\$488	39.0%	3.4%

Source: U.S. Census of Population and Housing (SF 3) - 1990 and 2000

As with overall households, renter household sizes for the Carrollton PMA were generally larger than those calculated for Carrollton proper, on average. Overall, the 2000 rental housing stock within the market area was quite diverse, as demonstrated by relatively large levels of one, two, and three/four-person units. As such, the PMA had an average rental unit size of 2.44 persons in 2000, representing a decrease of just one percent from a decade earlier.

**Table 8: Rental Unit Size Distribution (2000)**

						Median Persons Per Rental Unit	
	<u>One Person</u>	<u>Two Persons</u>	<u>3 or 4 Persons</u>	<u>5 or More Persons</u>	<u>1990</u>	<u>2000</u>	
City of Carrollton	1,610	1,230	1,175	286	2.21	2.26	
Carrollton PMA	1,981	1,653	1,883	532	2.46	2.44	
Carroll County	2,815	2,488	3,092	905	2.56	2.52	

	<u>One Person Percent</u>	<u>Two Person Percent</u>	<u>3-4 Person Percent</u>	<u>5+ Person Percent</u>	<u>Median Change</u>
City of Carrollton	37.4%	28.6%	27.3%	6.6%	2.3%
Carrollton PMA	32.7%	27.3%	31.1%	8.8%	-0.6%
Carroll County	30.3%	26.8%	33.2%	9.7%	-1.6%

Source: U.S. Census of Population and Housing (SF 1) - 1990 and 2000

**E. Economic and Employment Characteristics**

Overall, the economy throughout Carroll County is comprised largely of manufacturing and services employment. According to U.S. Census data, 41 percent of all employed persons within the PMA were employed in the services industry in 2000 and represented the largest employment segment by far, followed by the manufacturing sector at 18 percent. In addition, retail trade and construction employment also represented a sizeable portion of the market area's economy, at 13 percent and 10 percent of the employment base, respectively.

Based on a comparison of employment by industry from the 1990 and 2000 Census', the services industry experienced the largest gains over the past decade, increasing by 50 percent within the PMA. In contrast, the retail trade and manufacturing sectors exhibited substantial decreases during the same time frame, decreasing by 21 percent and 28 percent, respectively.

**Table 9: Employment by Industry (2000)**

	Carrollton PMA		City of Carrollton	Carroll County
	<u>Number</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>
<b>Agriculture</b>	104	<b>0.5%</b>	0.2%	0.8%
<b>Construction</b>	2,084	<b>9.9%</b>	4.4%	11.4%
<b>Manufacturing</b>	3,832	<b>18.2%</b>	17.8%	19.6%
<b>Transportation and Public Utilities</b>	1,109	<b>5.3%</b>	4.0%	6.5%
<b>Wholesale Trade</b>	672	<b>3.2%</b>	2.3%	3.6%
<b>Retail Trade</b>	2,793	<b>13.3%</b>	15.6%	13.7%
<b>Finance, Insurance, and Real Estate</b>	1,098	<b>5.2%</b>	5.5%	4.8%
<b>Services</b>	8,616	<b>41.0%</b>	47.4%	36.1%
<b>Public Administration</b>	698	<b>3.3%</b>	2.7%	3.6%

Source: U.S. Census of Population and Housing (SF 3) - 2000



Additional analysis of Census employment data demonstrates a mix of white-collar and blue-collar employment opportunities throughout the area. According to 2000 data, service and sales employment represented the largest segment of the labor force within the PMA (40 percent), followed by managerial and professional occupations (31 percent), and production, transportation, and material moving positions (17 percent).

**Table 10: Employment by Occupation (2000)**

	Carrollton PMA		City of Carrollton	Carroll County
	<u>Number</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>
Managerial and Professional	6,681	31.2%	31.6%	26.6%
Service and Sales	8,604	40.2%	45.6%	39.3%
Farming and Forestry	77	0.4%	0.3%	0.3%
Construction, Extraction, and Maintenance	2,339	10.9%	5.7%	14.1%
Production, Transportation, and Material Moving	3,683	17.2%	16.8%	19.8%

Source: U.S. Census of Population and Housing (SF 3) - 2000

Based on place of employment, approximately 67 percent of PMA residents are employed within Carroll County, while 31 percent are employed outside of the county – one percent of which is employed outside of Georgia. The largest employment migration is to Fulton County (Atlanta area) and Douglas County (Douglasville), both with approximately nine percent of employed residents commuting from Carroll County.

**Table 11: Place of Employment (2000)**

	Carrollton PMA		City of Carrollton	Carroll County
	<u>Number</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>
Place of Work within County	14,081	67.3%	73.2%	61.9%
Place of Work Outside of County	6,560	31.4%	25.2%	36.9%
Place of Work Outside of State	283	1.4%	1.6%	1.2%

Source: U.S. Census of Population and Housing (SF 3) - 2000

Below is a chart depicting the largest employers within Carrollton County, according to information supplied by Carroll Tomorrow and the Carroll County Chamber of Commerce. As can be seen, several of the county's largest employers are educational providers (three of the top five), with Carroll County Schools the largest employer in the county. Despite this, the region's employment base is relatively diverse, with additional large employers representing the healthcare, manufacturing, and agricultural fields. As such, Tanner Medical Center, Southwire, Pilgrim's Pride, and Decostar each employ more than 500 persons each.

<b>Employer</b>	<b>Industry</b>	<b>Number of Employees</b>
Carroll County Schools	Education	2,400
Tanner Medical Center	Healthcare	1,935
Southwire	Wire and Cable Mfg.	1,585
University of West Georgia	Higher Education	1,160
City of Carrollton Schools	Education	830
Pilgrim's Pride	Poultry	830
Decostar	Auto Parts Mfg.	584
Sony Home Media	Distribution	450
Fresh Advantage	Vegetable Processing	430
Bremen Bowden Manufacturing	Clothing Mfg.	435
Printpack, Inc.	Flexible Packaging	364
Carlisle Corp.	Rubber Products	316
Janus International	Metal Mfg.	300

It should be noted that four closures and/or reductions have been reported within Carrollton since January 2006, according to information from the Georgia Department of Labor's WARN System (Worker Adjustment and Retraining Notification). However, three of these four events pertained to a single employer, Sony Music Entertainment, which had three non-substantial layoff events since July 2007 totaling 225 employees. The only other company which had a somewhat larger employee reduction included Fresh Express Company, which closed in January 2008 affecting 150 employees.

Overall, economic conditions have been relatively positive throughout Carroll County with sustained job creation since 1990 (job growth in 17 of the past 18 years). Information obtained from the Georgia Department of Labor is presented in the following figures and illustrates these employment patterns throughout the county. More than 7,100 jobs (a 16 percent increase) have been added to the county since 2000, with roughly 2,300 of these added since 2005 (an increase of five percent). Employment gains have been extremely strong since 2003, with more than 1,250 new jobs created in three of the four years, indicative of a stable and improving economy.

Furthermore, the latest annual figures reported Carroll County had an unemployment rate of 4.7 percent in 2007 – which was slightly higher than both the state and national averages (4.4 percent and 4.6 percent, respectively). As of April 2008, the unemployment rate for the county increased to 5.8 percent (despite the addition of nearly 1,000 jobs from April 2007), remaining somewhat higher than the state (5.0 percent) and national levels (4.8 percent).

The county's employment distribution and prevailing average incomes are reflective of the need for affordable housing. The continued growth of new jobs throughout Carroll County since 1990 (despite the recent increase in the employment rate) is clearly indicative of healthy economic conditions locally.

Figure 1: Employment Growth

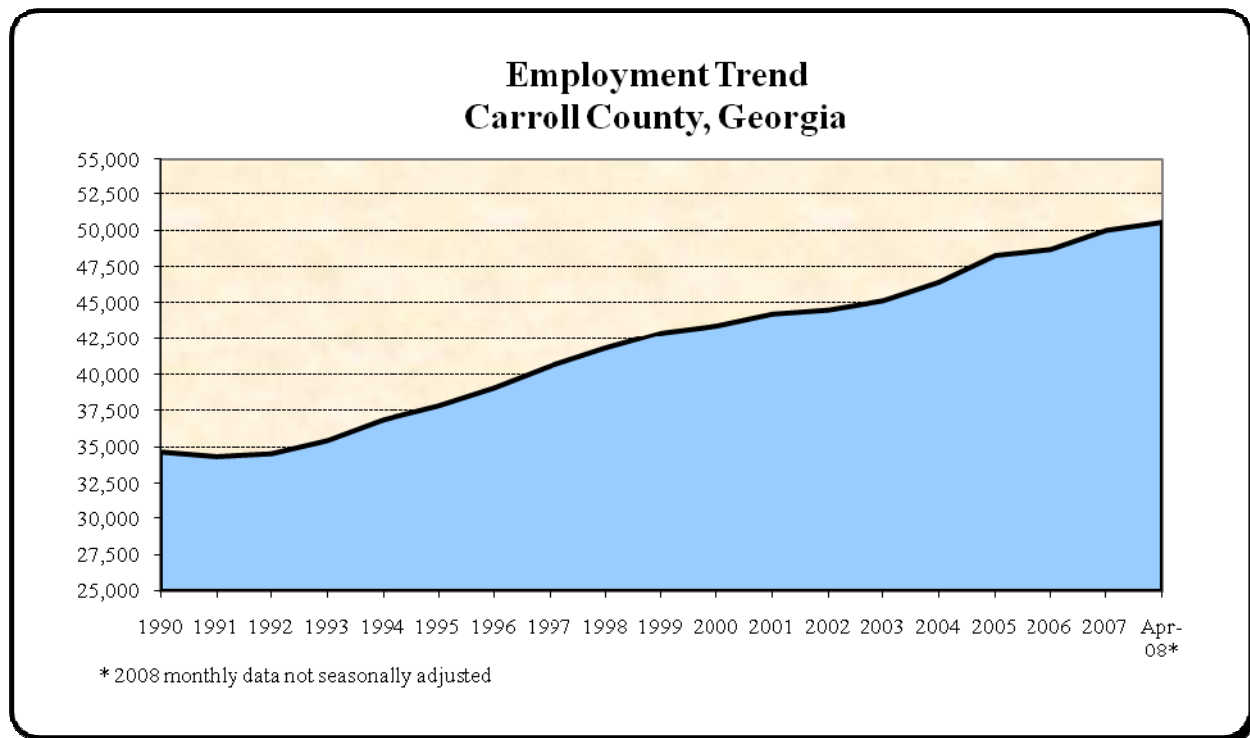
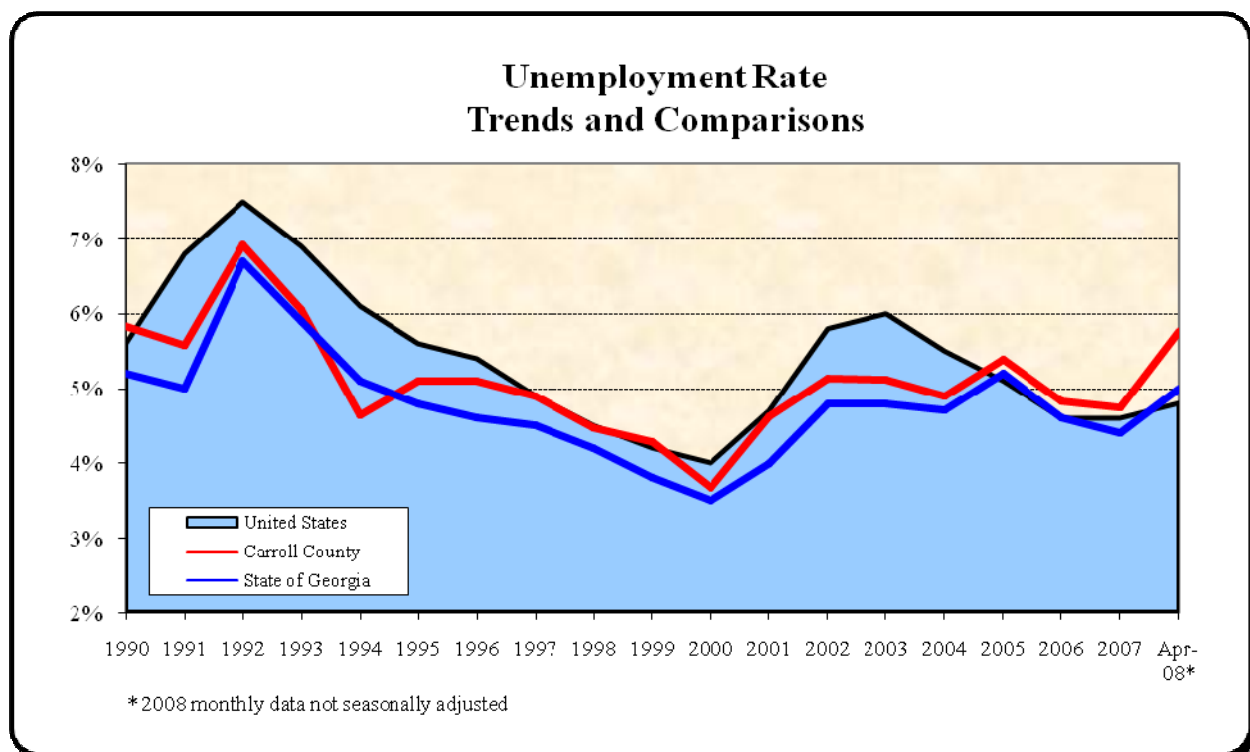


Figure 2: Historical Unemployment Rate



**Table 12: Historical Employment Trends**

	Carroll County				State of Georgia	United States
Year	Labor Force	Number Employed	Annual Change	Unemployment Rate	Unemployment Rate	Unemployment Rate
<b>1990</b>	36,823	34,676	---	5.8%	5.2%	5.6%
<b>1991</b>	36,382	34,356	(320)	5.6%	5.0%	6.8%
<b>1992</b>	37,124	34,553	197	6.9%	6.7%	7.5%
<b>1993</b>	37,738	35,453	900	6.1%	5.9%	6.9%
<b>1994</b>	38,673	36,881	1,428	4.6%	5.1%	6.1%
<b>1995</b>	39,876	37,844	963	5.1%	4.8%	5.6%
<b>1996</b>	41,178	39,079	1,235	5.1%	4.6%	5.4%
<b>1997</b>	42,668	40,576	1,497	4.9%	4.5%	4.9%
<b>1998</b>	43,786	41,832	1,256	4.5%	4.2%	4.5%
<b>1999</b>	44,830	42,910	1,078	4.3%	3.8%	4.2%
<b>2000</b>	45,063	43,410	500	3.7%	3.5%	4.0%
<b>2001</b>	46,381	44,235	825	4.6%	4.0%	4.7%
<b>2002</b>	46,921	44,513	278	5.1%	4.8%	5.8%
<b>2003</b>	47,591	45,160	647	5.1%	4.8%	6.0%
<b>2004</b>	48,832	46,442	1,282	4.9%	4.7%	5.5%
<b>2005</b>	51,022	48,269	1,827	5.4%	5.2%	5.1%
<b>2006</b>	51,136	48,672	403	4.8%	4.6%	4.6%
<b>2007</b>	52,487	49,995	1,323	4.7%	4.4%	4.6%
<b>Apr-07*</b>	51,893	49,586	--	4.4%	4.0%	4.3%
<b>Apr-08*</b>	53,634	50,548	962	5.8%	5.0%	4.8%

	<u>Number</u>	<u>Percent</u>	<u>Avg. Annual</u>
Change (1990-Present):	<b>15,872</b>	<b>45.8%</b>	<b>2.5%</b>
Change (1995-Present):	<b>12,704</b>	<b>33.6%</b>	<b>2.6%</b>
Change (2000-Present):	<b>7,138</b>	<b>16.4%</b>	<b>2.1%</b>
Change (2005.-Present):	<b>2,279</b>	<b>4.7%</b>	<b>1.6%</b>
Change (1990-1995):	<b>3,168</b>	<b>9.1%</b>	<b>1.8%</b>
Change (1995-2000):	<b>5,566</b>	<b>14.7%</b>	<b>2.9%</b>
Change (2000-2005):	<b>4,859</b>	<b>11.2%</b>	<b>2.2%</b>

\*Monthly data not seasonally adjusted

**F. Median Household Income**

Income levels throughout the Carrollton area have experienced steady gains over the past decade. While the immediate Carrollton area recorded annual increases of more than four percent since 2000, income appreciation is anticipated to have slowed somewhat within the PMA and county. In 2008, the median household income was estimated at \$51,457 for the PMA, which was approximately 35 percent greater than that estimated for the city itself (\$38,146), and approximately six percent higher than Carroll County (\$48,717). Furthermore, the PMA figure represents an increase of 31 percent from 2000 (an average annual increase of 3.4 percent), while the city increased at somewhat faster rate during this time span (4.1 percent).

According to ESRI data, the rate of income growth is forecast to continue to slow somewhat through 2012, but will remain relatively healthy nonetheless. As such, it is projected that the PMA will increase by 3.2 percent annually between 2000 and 2012, as compared to 3.9 percent and 2.7 percent for the city and county, respectively.

**Table 13: Median Household Incomes (1989 to 2012)**

	<u>1989</u>	<u>1999</u>	<u>2008</u>	<u>2010</u>	<u>2012</u>
City of Carrollton	\$20,565	\$27,559	\$38,146	\$40,792	\$43,439
Carrollton PMA	\$26,394	\$39,384	\$51,457	\$54,475	\$57,493
Carroll County	\$25,607	\$38,799	\$48,717	\$51,197	\$53,676
		<u>1989-1999</u>	<u>1999-2008</u>	<u>1999-2010</u>	<u>1999-2012</u>
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
City of Carrollton		34.0%	38.4%	48.0%	57.6%
Carrollton PMA		49.2%	30.7%	38.3%	46.0%
Carroll County		51.5%	25.6%	32.0%	38.3%
		<u>1989-1999</u>	<u>1999-2008</u>	<u>1999-2010</u>	<u>1999-2012</u>
		<u>Ann. Change</u>	<u>Ann. Change</u>	<u>Ann. Change</u>	<u>Ann. Change</u>
City of Carrollton		3.0%	4.1%	4.0%	3.9%
Carrollton PMA		4.1%	3.4%	3.3%	3.2%
Carroll County		4.2%	2.9%	2.8%	2.7%

Source: U.S. Census of Population and Housing (SF 3) - 1990/2000; ESRI Business Analyst; Shaw Research & Consulting

**G. Overall Household Income Distribution**

According to the U.S. Census Bureau, more than 44 percent of all households within the Carrollton PMA had an annual income of less than \$35,000 in 1999 – the portion of the population with the greatest need for affordable housing options. In comparison, 58 percent of Carrollton households and 45 percent of households in Carroll County had incomes within this range. With nearly half of all households within the immediate Carrollton area earning less than \$35,000 per year, affordable housing options will undoubtedly be well received.

**Table 14: Overall Household Income Distribution - 1999**

	City of Carrollton		Carrollton PMA		Carroll County	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than \$10,000	1,342	18.4%	1,970	12.0%	3,653	11.6%
\$10,000 to \$14,999	864	11.9%	1,409	8.6%	2,459	7.8%
\$15,000 to \$19,999	553	7.6%	981	6.0%	2,028	6.4%
\$20,000 to \$24,999	647	8.9%	1,230	7.5%	2,238	7.1%
\$25,000 to \$29,999	466	6.4%	983	6.0%	2,163	6.8%
\$30,000 to \$34,999	315	4.3%	650	4.0%	1,687	5.3%
\$35,000 to \$39,999	408	5.6%	939	5.7%	2,005	6.3%
\$40,000 to \$44,999	365	5.0%	1,035	6.3%	2,149	6.8%
\$45,000 to \$49,999	258	3.5%	809	4.9%	1,777	5.6%
\$50,000 to \$59,999	556	7.6%	1,666	10.2%	3,098	9.8%
\$60,000 to \$74,999	401	5.5%	1,607	9.8%	3,157	10.0%
\$75,000 to \$99,999	475	6.5%	1,611	9.8%	2,842	9.0%
\$100,000 to \$124,999	267	3.7%	641	3.9%	1,039	3.3%
\$125,000 to \$149,999	104	1.4%	314	1.9%	516	1.6%
\$150,000 to \$199,999	103	1.4%	251	1.5%	326	1.0%
\$200,000 and Over	163	2.2%	278	1.7%	469	1.5%
<b>TOTAL</b>	<b>7,287</b>	<b>100.0%</b>	<b>16,374</b>	<b>100.0%</b>	<b>31,606</b>	<b>100.0%</b>
<b>Median Income</b>	<b>\$27,559</b>		<b>\$39,384</b>		<b>\$38,799</b>	
Less than \$34,999	4,187	57.5%	7,223	44.1%	14,228	45.0%
\$35,000 to \$49,999	1,031	14.1%	2,783	17.0%	5,931	18.8%
\$50,000 to \$74,999	957	13.1%	3,273	20.0%	6,255	19.8%
\$75,000 to \$99,000	475	6.5%	1,611	9.8%	2,842	9.0%
\$100,000 and Over	637	8.7%	1,484	9.1%	2,350	7.4%
Source: U.S. Census of Population and Housing (SF 3) - 2000						

**H. Income-Qualified Households**

Based on the proposed income targeting and rent levels, the key income range for the tax credit portion of the subject proposal is \$22,869 to \$46,150 (in current dollars). Utilizing 2000 Census information available on household income by tenure, dollar values from 1999 were inflated to current dollars using the Consumer Price Index calculator from the Bureau of Labor Statistic's website. Based on this data, the targeted income range accounts for a sizable number of low-income households throughout the area. As such, roughly 19 percent of the PMA's total owner-occupied household number, and 28 percent of the renter-occupied household figure are within the income-qualified range. Overall, this income range accounted for nearly one out of every four households (at 23 percent) within the PMA. Considering the relative density of the PMA, this equates to approximately 5,100 potential income-qualified households for the proposed development, including more than 2,300 income-qualified renter households.

**Table 15: Household Income by Tenure – Carrollton PMA (2009)**

	Number of 2010 Households			Percent of 2010 Households		
	<u>Total</u>	<u>Owner</u>	<u>Renter</u>	<u>Total</u>	<u>Owner</u>	<u>Renter</u>
<b>Less than \$5,962</b>	<b>1,002</b>	269	733	<b>4.4%</b>	1.9%	8.9%
<b>\$5,963 to \$11,924</b>	<b>1,721</b>	553	1,168	<b>7.6%</b>	3.8%	14.1%
<b>\$11,925 to \$17,887</b>	<b>1,960</b>	880	1,079	<b>8.6%</b>	6.1%	13.0%
<b>\$17,888 to \$23,849</b>	<b>1,355</b>	533	822	<b>6.0%</b>	3.7%	9.9%
<b>\$23,850 to \$29,812</b>	<b>1,663</b>	783	879	<b>7.3%</b>	5.4%	10.6%
<b>\$29,813 to \$41,737</b>	<b>2,308</b>	1,266	1,042	<b>10.2%</b>	8.7%	12.6%
<b>\$41,738 to \$59,625</b>	<b>3,858</b>	2,723	1,135	<b>16.9%</b>	18.8%	13.7%
<b>\$59,626 to \$89,438</b>	<b>4,565</b>	3,564	1,001	<b>20.0%</b>	24.6%	12.1%
<b>\$88,439 and Over</b>	<b>4,354</b>	3,939	414	<b>19.0%</b>	27.1%	5.0%
<b>Total</b>	<b>22,785</b>	<b>14,510</b>	<b>8,274</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Source: U.S. Census of Population and Housing (SF 3) - 2000; BLS CPI Calculator; Shaw Research & Consulting						



**I. Rent Overburdened Households**

The 2000 Census shows that nearly 50 percent of all renter households within the PMA that have incomes less than \$35,000 are rent-overburdened; that is, they pay more than 35 percent of their incomes on rent and housing expenses. As one would expect, the lower the overall income, the greater the likelihood the household will be rent-overburdened. As can be seen in the table on the following page, approximately 55 percent of renter households having incomes between \$10,000 and \$20,000 were overburdened, while 11 percent of renters earning between \$20,000 and \$35,000 were overburdened. As such, this data demonstrates that the need for affordable housing is quite apparent in the PMA, and the income-targeting plan proposed for the subject would help to alleviate this problem to a certain degree.

**Table 16: Rent Overburdened Households (2000)**

	City of Carrollton	Carrollton PMA	Carroll County
<b>HH Income less than \$10,000</b>	<b>1,130</b>	<b>1,390</b>	<b>1,940</b>
Less than 35 percent for housing	137	137	185
35 percent or more for housing	791	1,000	1,353
Not computed	202	253	402
Percent paying more than 35 percent	85.2%	88.0%	88.0%
<b>HH Income \$10,000 to \$19,999</b>	<b>1,043</b>	<b>1,383</b>	<b>2,084</b>
Less than 35 percent for housing	454	592	875
35 percent or more for housing	556	728	1,105
Not computed	33	63	104
Percent paying more than 35 percent	55.0%	55.2%	55.8%
<b>HH Income \$20,000 to \$34,999</b>	<b>981</b>	<b>1,375</b>	<b>2,203</b>
Less than 35 percent for housing	892	1,173	1,806
35 percent or more for housing	72	151	228
Not computed	17	51	169
Percent paying more than 35 percent	7.5%	11.4%	11.2%
<b>HH Income \$35,000 to \$49,999</b>	<b>505</b>	<b>792</b>	<b>1,184</b>
Less than 35 percent for housing	474	754	1,098
35 percent or more for housing	0	0	21
Not computed	31	38	65
Percent paying more than 35 percent	0.0%	0.0%	1.9%
<b>HH Income \$50,000 to \$74,999</b>	<b>416</b>	<b>703</b>	<b>1,115</b>
Less than 35 percent for housing	416	677	1,063
35 percent or more for housing	0	0	0
Not computed	0	26	52
Percent paying more than 35 percent	0.0%	0.0%	0.0%
<b>HH Income \$75,000 to \$99,999</b>	<b>124</b>	<b>213</b>	<b>299</b>
Less than 35 percent for housing	106	195	266
35 percent or more for housing	0	0	0
Not computed	18	18	33
Percent paying more than 35 percent	0.0%	0.0%	0.0%
<b>HH Income \$100,000 or More</b>	<b>55</b>	<b>90</b>	<b>141</b>
Less than 35 percent for housing	55	79	119
35 percent or more for housing	0	0	0
Not computed	0	11	22
Percent paying more than 35 percent	0.0%	0.0%	0.0%
Source: U.S. Census of Population and Housing (SF 3) - 2000			

## VII. DEMAND ANALYSIS

### A. Demand for Tax Credit and Market Rate Rental Units

Demand calculations for each targeted income level of the subject proposal are illustrated in the following tables. Utilizing Georgia DCA requirements, demand estimates are measured from four key sources: household growth, substandard housing, rent-overburdened households, and secondary market considerations. All demand sources will be income-qualified, based on the targeting plan of the subject proposal and current LIHTC income restrictions as published by DCA and HUD. For the subject proposal, demand estimates will be calculated for units designated at 50 percent and 60 percent AMI, as well as for units with market rents. As such, calculations will be based on the starting rental rate, a 35 percent rent-to-income ratio, and an income ceiling of \$46,150 (the 5-person income limit at 60 percent AMI for the Atlanta-Sandy Springs-Marietta MSA). The resulting overall income-eligibility range (expressed in current-year dollars) for each targeted income level is as follows:

	<u>Minimum</u>	<u>Maximum</u>
<b>50 percent of AMI</b> .....	\$22,869 .....	\$38,450
<b>60 percent of AMI</b> .....	\$24,891 .....	\$46,150
<b>Market Rate</b> .....	\$26,360 .....	\$50,000
<b>Overall</b> .....	<b>\$22,869</b> .....	<b>\$50,000</b>

By applying the income-qualified range and 2010 household forecasts to the current-year household income distribution by tenure (adjusted from 2000 data based on the Labor Statistics' Consumer Price Index), the number of income-qualified households can be calculated. As a result, 28 percent of all renter households within the PMA are estimated to fall within the stated LIHTC qualified income range. More specifically, 21 percent of all renter households are income-qualified for units at 50 percent of AMI and 25 percent are qualified for units at 60 percent AMI. In addition, 25 percent of all renter households within the PMA are income-qualified for the market-rate portion of the proposal.

Based on U.S. Census data and projections from ESRI, approximately 2,225 new renter households are anticipated in 2010 as compared to 2000. By applying the income-qualified percentage to the overall eligible figure, a demand of 628 tax credit units and 558 market rate units can be calculated as a result of new rental household growth.

Using U.S. Census data on substandard rental housing, it is estimated that approximately six percent of all renter households within the Carrollton PMA could be considered substandard, either by overcrowding (a greater than 1-to-1 ratio of persons to rooms) or incomplete plumbing facilities (a unit that lacks at least a sink, bathtub, or toilet). Applying this figure, along with the renter propensity and income-qualified percentage, to the number of households currently present in 2000 (the base year utilized within the demand calculations), a total tax credit demand resulting from substandard units is calculated at 106 units within the PMA.

And lastly, potential demand for the subject proposal may also arise from those households experiencing rent-overburden, defined by households paying greater than 35 percent of monthly income for rent. Excluding owner-occupied units, an estimate of market potential for the subject proposal based on 2000 Census data on rent-overburdened households paying more than 35 percent of monthly income for rent is calculated. Using the subject proposal's beginning rental rate and utilizing the above-mentioned affordability range, the percentage of renter households within this overburdened range is estimated at four percent. Applying this rate to the estimated number of renter households in 2010 yields a total demand of 215 additional LIHTC units as a result of rent-overburden.

Comparable LIHTC properties within the Carrollton PMA which have received an LIHTC allocation since 2000 include Hays Mill Court (62 units constructed in 2003) and Magnolia Lake Apartments (216 units built in 2003). As such, these 208 tax credit and 70 market rate units need to be deducted from the demand factors listed previously. Combining these factors (and including a 15 percent allowance for potential demand arising from secondary market sources) results in an overall demand of 789 LIHTC units and 633 market rate units in 2010.

Calculations by individual bedroom size are also provided utilizing the same methodology. As such, it is clear that sufficient demand exists for the project and each unit type proposed.

Table 17: Demand Calculation – by Income Targeting (2009)

<b>2000 Total Occupied Households</b>	<b>16,367</b>				
<b>2000 Owner-Occupied Households</b>	<b>10,318</b>				
<b>2000 Renter-Occupied Households</b>	<b>6,049</b>				
		<b>50%</b>	<b>60%</b>	<b>Total</b>	<b>Market</b>
		<b>AMI</b>	<b>AMI</b>	<b>LIHTC</b>	<b>Rate</b>
<b>QUALIFIED-INCOME RANGE</b>					
Minimum Annual Income		\$22,869	\$24,891	\$22,869	\$26,360
Maximum Annual Income		\$38,450	\$46,150	\$46,150	\$50,000
<b>DEMAND FROM NEW HOUSEHOLD GROWTH</b>					
Renter Household Growth, 2000-2010	2,225	2,225	2,225	2,225	2,225
Percent Income Qualified Renter Households	21.4%	24.8%	28.2%	25.1%	
<b>Total Demand From New Households</b>	<b>476</b>	<b>551</b>	<b>628</b>	<b>558</b>	
<b>DEMAND FROM EXISTING HOUSEHOLDS</b>					
Percent of Renters in Substandard Housing	6.2%	6.2%	6.2%	6.2%	
Percent Income Qualified Renter Households	21.4%	24.8%	28.2%	25.1%	
<b>Total Demand From Substandard Renter Households</b>	<b>80</b>	<b>93</b>	<b>106</b>	<b>94</b>	
Percent of Renters Rent-Overburdened	3.2%	2.4%	3.5%	2.1%	
<b>Total Demand From Overburdened Renter Households</b>	<b>191</b>	<b>147</b>	<b>215</b>	<b>32</b>	
<b>Total Demand From Existing Households</b>	<b>271</b>	<b>240</b>	<b>320</b>	<b>126</b>	
<b>DEMAND FROM SECONDARY MARKET SOURCES (15%)</b>	<b>41</b>	<b>36</b>	<b>48</b>	<b>19</b>	
<b>TOTAL DEMAND</b>	<b>787</b>	<b>827</b>	<b>997</b>	<b>703</b>	
<b>LESS: Total Comparable Units Constructed Since 2000</b>	16	192	208	70	
<b>LESS: Total Comparable Units Proposed/Under Construction</b>	0	0	0	0	
<b>TOTAL NET DEMAND</b>	<b>771</b>	<b>635</b>	<b>789</b>	<b>633</b>	
<b>PROPOSED NUMBER OF UNITS</b>	<b>22</b>	<b>42</b>	<b>64</b>	<b>8</b>	
<b>CAPTURE RATE</b>	<b>2.9%</b>	<b>6.6%</b>	<b>8.1%</b>	<b>1.3%</b>	
Note: Totals may not sum due to rounding					

Table 18: Demand Calculation – by Bedroom Size

	One-Bedroom Units					Two-Bedroom Units					Three-Bedroom Units				
	50% AMI	60% AMI	Total LIHTC	Market Rate		50% AMI	60% AMI	Total LIHTC	Market Rate		50% AMI	60% AMI	Total LIHTC	Market Rate	
2000 Total Occupied Households					16,367										
2000 Owner-Occupied Households					10,318										
2000 Renter-Occupied Households					6,049										
<b>QUALIFIED-INCOME RANGE</b>															
Minimum Annual Income	\$22,869	\$24,891	\$22,869	\$26,360		\$27,463	\$29,589	\$27,463	\$30,000		\$31,714	\$34,354	\$31,714	\$34,000	
Maximum Annual Income	\$28,475	\$34,175	\$34,175	\$40,000		\$32,050	\$38,450	\$38,450	\$50,000		\$38,450	\$46,150	\$46,150	\$50,000	
<b>DEMAND FROM NEW HOUSEHOLD GROWTH</b>															
Renter Household Growth, 2000-2010			2,225	2,225				2,225	2,225				2,225	2,225	
Percent Income Qualified Renter Households	10%	13%	17%	17%		7%	10%	13%	19%		7%	11%	14%	15%	
Total Demand From New Households	220	298	375	376		146	212	296	417		158	249	311	323	
<b>DEMAND FROM EXISTING HOUSEHOLDS</b>															
Percent of Renters in Substandard Housing	6.2%	6.2%	6.2%	6.2%		6.2%	6.2%	6.2%	6.2%		6.2%	6.2%	6.2%	6.2%	
Percent Income Qualified Renter Households	10%	13%	17%	17%		7%	10%	13%	19%		7%	11%	14%	15%	
Total Demand From Substandard Renter Households	37	50	63	63		24	36	50	70		27	42	52	54	
Percent of Renters Rent-Overburdened	1.8%	1.5%	2.6%	1.9%		0.7%	1.1%	1.5%	1.4%		0.8%	0.9%	1.2%	0.9%	
Total Demand From Overburdened Renter Households	111	92	160	117		45	66	92	86		49	54	73	56	
Total Demand From Existing Households	148	142	223	180		70	101	142	156		76	96	125	111	
DEMAND FROM SECONDARY MARKET SOURCES (15%)	22	21	33	27		10	15	21	23		11	14	19	17	
TOTAL DEMAND	390	461	632	583		226	328	459	596		245	359	455	450	
LESS: Total Comparable Units Constructed Since 2000	6	35	41	13		10	137	147	47		0	20	20	10	
LESS: Total Comparable Units Proposed/Under Construction	0	0	0	0		0	0	0	0		0	0	0	0	
TOTAL NET DEMAND	384	426	591	570		216	191	312	549		245	339	435	440	
PROPOSED NUMBER OF UNITS	5	9	14	2		10	19	29	3		7	14	21	3	
CAPTURE RATE	1.3%	2.1%	2.4%	0.4%		4.6%	9.9%	9.3%	0.5%		2.9%	4.1%	4.8%	0.7%	
Note: Totals may not sum due to rounding															

**B. Capture and Absorption Rates**

Utilizing information from the demand forecast calculations, capture rates provide an indication of the percentage of annual income-qualified demand necessary for the successful absorption of the subject property. An overall capture rate of 8.1 percent was determined based on the demand calculation (including renter household growth, existing renter households, substandard units, secondary market considerations, and excluding any comparable rental activity since 2000), providing an indication of the subject proposal's market depth within the Carrollton PMA. More specifically, the capture rate for units restricted at 50 percent AMI was calculated at 2.9 percent, while units at 60 percent AMI were at 6.6 percent. Furthermore, the market rate portion of the proposal had a capture rate of 1.3 percent. As such, the capture rate provides a positive indication of the subject's marketability and is well below DCA thresholds, and should be considered as a positive factor.

Taking into consideration the overall demand and capture rates, extremely positive demographic growth, and also further considering the generally positive occupancy rates throughout the Carrollton PMA (with 18 of 25 properties at 95 percent occupancy or above), and positive conditions among the area's LIHTC rental properties (combined 96 percent occupancy), an estimate of the overall stabilization period to reach 93 percent occupancy is estimated at 7 to 9 months. This determination is based on an estimated market entry of late-2010, a minimum of 20 percent of units in the project pre-leased, and also assumes that all units will enter the market at approximately the same time.

Based on this information, no market-related concerns are present for the proposal in its current configuration. Taking into consideration extremely strong demographic patterns (recent and future), positive occupancy rates throughout the local rental market, and the success of existing tax credit developments, maintaining an occupancy level of 93 percent into the foreseeable future should not be an issue.

## VIII. COMPARABLE RENTAL ANALYSIS

### A. Carrollton Rental Market Characteristics

As part of the Carrollton rental analysis, a survey of existing rental projects within the Carrollton primary market area was completed by Shaw Research & Consulting in May 2008. Excluding senior-only rental developments, a total of 25 apartment properties within the Carrollton area were identified and questioned for information such as current rental rates, amenities, and vacancy levels. Results from the survey provide an indication of overall market conditions throughout the Carrollton area, and are discussed below and illustrated on the following pages.

Considering the developments responding to our survey, a total of 2,096 units were reported, with the majority of units consisting of two bedrooms. Among the properties providing a specific unit breakdown, 22 percent of all units contained one bedroom, 60 percent had two bedrooms, and 15 percent of units contained three bedrooms. Relatively few efficiency/studio and four-bedroom units were reported in the survey – each representing just one percent of all units. The average age of the rental properties was 23 years old (with an average build date of 1985), with seven properties built before 1980, 11 during the 1980s, and seven since 1990 (with four of these developed since 2000). The tax credit developments were among the newest rental properties in the area, averaging approximately four years old (2004). Relatively few developments included in our survey (just four complexes) reported to contain some sort of income-eligibility requirements for tenancy – there are two LIHTC facilities, one Rural Development property, and one HUD Section 8 project.

It should be noted that the results of the survey do not include Public Housing units managed by the Carrollton Housing Authority. The Authority did not respond to repeated requests for information, and therefore information on local PHA developments are not included in the analysis.

Overall conditions for the Carrollton rental market appear relatively strong. Among the properties included in the survey, the overall occupancy rate was calculated at 95 percent, with thirteen developments at 97 percent occupancy or better (nine were 100 percent occupied).



Considering that the majority of local developments reported an occupancy rate of 95 percent or greater (18 of the 25 properties), current conditions clearly reflect positive conditions within the Carrollton rental market. Further, perhaps the greatest indication of market depth for the subject property is the ongoing success of the area's tax credit properties. As such, the two local family-oriented LIHTC developments (with a total of 278 units) had an overall occupancy rate of 96 percent – providing an additional indication of the acceptance and need for modern affordable rental housing such as the subject proposal.

Detailed results from our survey of area rental developments are illustrated in the tables on the following pages. Overall, the average rent for a one-bedroom unit was calculated at \$494 per month with an average size of 755 square feet – the resulting average rent per square foot ratio is \$0.65. The average rent for a two-bedroom unit was \$621 with an average size of 1,053 square feet (an average rent per square foot ratio of \$0.59), while three-bedroom units averaged \$713 and 1,339 square feet (\$0.53 per square foot). As can be seen, the proposed rental rates and unit sizes at the subject proposal are relatively competitive to other properties throughout the area.

It should be noted that average tax credit rents were slightly higher than overall average market rents. Considering only LIHTC properties, tax credit averages for one-bedroom units were \$564 and 785 square feet (\$0.72 per square foot), two-bedrooms averaged \$657 and 974 square feet (\$0.68 per square foot), and three-bedrooms averaged \$795 and 1,350 square feet (\$0.59 per square foot). As such, the subject proposal's rental rates compare favorably to tax credit averages, and can be considered appropriate for the market area.

The most common amenities found within the market include central air conditioning (92 percent of all properties), laundry hook-up (92 percent), patio/balcony (92 percent), mini-blinds (80 percent), dishwasher (76 percent), and walk-in closet (72 percent). In addition, coin-operated laundry is the only other amenity reported in over 50 percent of all developments. While the subject property will contain the majority of these more common features, a number of additional amenities will be found within the proposal that are not as prevalent throughout the area. These include clubhouse/community room, exercise/fitness facility, equipped computer

center, garbage disposal, in-unit laundry, microwave, playground, and swimming pool. Along with the proposal's broad income targeting, relatively affordable rental rates and competitive unit sizes, the generous amenity package undoubtedly gives a competitive advantage over most rental developments within the local market area.

Proposed rental rates within the subject are competitive with other LIHTC properties in the local area. As can be seen in the following figure, the proposed rental rates at the subject (both tax credit and market rate) are the same or lower than those at Magnolia Lake Apartments. In comparison to Hays Mill Court, the subject's rental rates are slightly higher for the tax credit units (less than five percent higher), while rents for market rate units are approximately 13 percent higher. However, when taking into consideration the unit sizes at Hays Mill Court, rent per square foot ratios indicate that the subject is somewhat more affordable.

**Figure 3: LIHTC Comparison**

<b>LIHTC RENTS</b>			
	<u>Subject*</u>	<u>Hays Mill Court*</u>	<u>Magnolia Lake*</u>
One-Bedroom Units	\$536-\$595	\$513-\$583	\$595
Two-Bedroom Units	\$633-\$695	\$616-\$661	\$695
Three-Bedroom Units	\$718-\$795	NA	\$795
<b>MARKET RENTS</b>			
	<u>Subject</u>	<u>Hays Mill Court</u>	<u>Magnolia Lake</u>
One-Bedroom Units	\$659	\$583	\$650
Two-Bedroom Units	\$750	\$661	\$750
Three-Bedroom Units	\$850	NA	\$850
<b>UNIT SIZES</b>			
	<u>Subject</u>	<u>Hays Mill Court</u>	<u>Magnolia Lake</u>
One-Bedroom Units	825	690	975
Two-Bedroom Units	1,041	873	1,175
Three-Bedroom Units	1,205	NA	1,350

\*NOTE: Rent ranges reflect units at 50% and 60% AMI for the subject;

\*NOTE: Rent ranges reflect units at 40% and 60% AMI for Hays Mill Court;

\*NOTE: Rent ranges reflect units at 60% AMI for Magnolia Lake Apts.

From a market standpoint, it is evident that sufficient demand is present for the development of additional tax credit (and market rate) units within the Carrollton market. However, based on prevailing rental rates and income levels, the rent structure is crucial for the viability of any new rental development. As such, the proposed rental rates within the subject are well-suited for the Carrollton marketplace by providing a modern rental option with numerous amenities at a competitive price. In light of an occupancy rate calculated at 95 percent for the overall market (and 96 percent for tax credit properties), coupled with the proposal's generous amenities and competitive unit sizes, the subject should be absorbed into the local rental market within a normal period of time with no long-term adverse effects on existing local rental facilities – either affordable or market rate. Additionally, the stability of the local rental market can further be demonstrated by 18 of the 25 facilities surveyed at 95 percent occupancy or greater, as well as no widespread rent concessions reported. Based on the proposed unit sizes and amenities to be offered, the facility will be competitive with other local available rental alternatives.

According to local government officials (Carroll County and City of Carrollton), no comparable family rental activity was reported within the PMA. The only multi-family development currently planned within the area are a senior-oriented rental community (Park Place Apartments - to be constructed with tax credits approximately ½ mile south of the subject along Park Street), and a student rental complex in the western portion of the city (Maple Street Commons – 170 units). The Park Place senior proposal consists of 70 two-bedroom units at 50 percent and 60 percent of AMI, with seven market rate units. Based on both these proposal's development type and targeting, neither can be considered as comparable to the subject proposal, and would therefore not have a negative impact on its absorption or stabilization.

Table 19: Rental Housing Survey

Project Name	Year Built	Total Units	Studio/ Eff.	One- bedroom	Two- bedroom	Three- bedroom	Four- bedroom	Heat Included	Heat Type	Electric Included	Occupancy Rate	Senior Only Facility
Ashley Oaks	1980	80	0	0	64	16	0	No	GAS	No	96%	No
Azalea Place	1963	42	0	0	42	0	0	No	GAS	No	86%	No
Beulah Park	2005	32	0	0	32	0	0	Yes	ELE	Yes	81%	No
Canterbury Heights	1985	20	0	0	20	0	0	No	ELE	No	95%	No
Carrollwood Apts	1977	74	0	16	24	30	4	No	GAS/ELE	No	92%	No
Cedar Street THs	1982	32	0	0	32	0	0	No	GAS/ELE	No	100%	No
Cedar Villas	1983	15	0	0	5	10	0	No	ELE	No	100%	No
Chateau Apts	1974	208	0	0	0	0	0	No	ELE	No	90%	No
Cross Creek Apts	1990	100	0	84	16	0	0	No	ELE	No	100%	No
Eagle's Cliff Apts	1989	72	0	0	0	0	0	No	ELE	No	100%	No
Emerlad Ridge	1971	210	0	0	86	114	10	No	ELE	No	93%	No
English Village Apts	1982	124	0	26	72	26	0	No	GAS	No	94%	No
Gray's Park Duplexes	1998	14	0	0	13	1	0	No	GAS/ELE	No	100%	No
Harmony Oaks Apts	1967	80	0	76	4	0	0	No	ELE	No	100%	No
Hays Mill Court	2004	62	0	24	38	0	0	No	ELE	No	97%	No
Lakeview Paradise Apts	1978	98	0	34	48	8	8	No	GAS/ELE	No	98%	No
Lawler Loft Apts#	1998	18	4	8	6	0	0	No	GAS	No	100%	No
Magnolia Lake Apts	2004	216	0	30	156	30	0	No	ELE	No	95%	No
Mayfair Apts	2003	120	0	32	64	24	0	No	ELE	No	97%	No
Northridge Apts	1985	77	22	55	0	0	0	No	ELE	No	96%	No
Oakridge THs	1982	28	0	0	28	0	0	No	GAS	No	100%	No
South Park Apts	1970	110	0	13	82	16	0	No	GAS	No	99%	No
Waverly Apts	1983	48	0	8	40	0	0	No	GAS	No	96%	No
Westbury Park	1982	16	0	0	16	0	0	No	GAS	No	100%	No
Woodglen Apts	1985	200	0	0	200	0	0	No	GAS/ELE	No	90%	No
Totals and Averages	1985	2,096	26	406	1,088	275	22				94.8%	
Unit Distribution			1%	22%	60%	15%	1%					
SUBJECT PROJECT												
CARROLLTON CROSSING	2010	72	0	16	32	24	0	No	ELE	No	NA	No

Table 20: Rental Housing Summary

Project Name	Year Built	Total Units	Studio/ Eff.	One-bedroom	Two-bedroom	Three-bedroom	Four-bedroom	Heat Included	Heat Type	Electric Included	Occupancy Rate	Senior Only Facility
Totals and Averages <i>Unit Distribution</i>	1985	2,096	26 1%	406 22%	1,088 60%	275 15%	22 1%				94.8%	
<b>SUBJECT PROJECT</b>												
CARROLLTON CROSSING	2010	72	0	16	32	24	0	No	ELE	No	NA	No
<b>SUMMARY</b>												
	Number of Dev.	Year Built	Total Units	Studio/ Eff.	1BR	2BR	3BR	4BR	Avg. Occ.			
Total Developments	25	1985	2096	26	406	1088	275	22	94.8%			
Market Rate Only	24	1736	1,596	26	292	774	211	14	94.5%			
LIHTC Only	2	2004	278	0	54	194	30	0	95.7%			
Other Affordable	1	1982	124	0	26	72	26	0	94.4%			
Subsidized Only	1	1978	98	0	34	48	8	8	98.0%			

Table 21: Rent Range for 1 &amp; 2 Bedrooms

Project Name	Subsidized	1BR Rent		1BR Square Feet		Rent per Square Foot Range		2BR Rent		2BR Square Feet		Rent per Square Foot Range	
		LOW	HIGH	LOW	HIGH			LOW	HIGH	LOW	HIGH		
Ashley Oaks	No							\$645		1,153		\$0.56	
Azalea Place	No							\$525		1,100		\$0.48	
Beulah Park	No							\$895		1,003		\$0.89	
Canterbury Heights	No							\$575		1,100		\$0.52	
Carrollwood Apts	No		\$435		1,000		\$0.44	\$525		1,256		\$0.42	
Cedar Street THs	No							\$550		980		\$0.56	
Cedar Villas	No							\$650		1,500		\$0.43	
Chateau Apts	No	\$440	\$455	550	700	\$0.80	\$0.65	\$525	\$595	900	1,120	\$0.58	\$0.53
Cross Creek Apts	No		\$375		450		\$0.83	\$480		900		\$0.53	
Eagle's Cliff Apts	No	\$335	\$476					\$370	\$536				
Emerland Ridge	No							\$730	\$805	1,400	1,400	\$0.52	\$0.58
English Village Apts	No	\$315	\$453	650	650	\$0.48	\$0.70	\$405	\$500	950	950	\$0.43	\$0.53
Gray's Park Duplexes	No							\$500		900		\$0.56	
Harmony Oaks Apts	No	\$369	\$389	550	550	\$0.67	\$0.71	\$559					
Hays Mill Court	No	\$513	\$583	690	690	\$0.74	\$0.84	\$616	\$661	873	873	\$0.71	\$0.76
Lakeview Paradise Apts	Yes			520	750					760	825		
Lawler Loft Apts#	No		\$750		900		\$0.83	\$800	\$850	1,200	1,200	\$0.67	\$0.71
Magnolia Lake Apts	No	\$595	\$650	975	975	\$0.61	\$0.67	\$695	\$750	1,175	1,175	\$0.59	\$0.64
Mayfair Apts	No		\$650		801		\$0.81	\$750		1,015		\$0.74	
Northridge Apts	No		\$539		600		\$0.90	\$664	\$669	900	900	\$0.74	\$0.74
Oakridge THs	No							\$575		1,100		\$0.52	
South Park Apts	No		\$450		900		\$0.50	\$500	\$535	1,000	1,000	\$0.50	\$0.54
Waverly Apts	No		\$525		900		\$0.58	\$575		1,100		\$0.52	
Westbury Park	No		\$575		1,300		\$0.44						
Woodglen Apts	No							\$495	\$1,000	850	1,150	\$0.58	\$0.87
Totals and Averages			\$494		755		\$0.65		\$621		1,053		\$0.59
<b>SUBJECT PROPERTY</b>													
CARROLLTON CROSSING	No	\$536	\$659	825	825	\$0.65	\$0.80	\$633	\$750	1,041	1,041	\$0.61	\$0.72
<b>SUMMARY</b>													
Overall			\$494		755		\$0.65		\$621		1,053		\$0.59
Market Rate Only			\$494		783		\$0.63		\$630		1,092		\$0.58
LIHTC Only			\$564		785		\$0.72		\$657		974		\$0.68
Other Affordable Only			\$384		650		\$0.59		\$453		950		\$0.48
Subsidized Only			NA		635		NA		NA		793		NA

Table 22: Rent Range for 3 &amp; 4 Bedrooms

Project Name	Program	3BR Rent		3BR Square Feet		Rent per Square Foot Range		4BR Rent		4BR Square Feet		Rent per Square Foot Range	
		LOW	HIGH	LOW	HIGH			LOW	HIGH	LOW	HIGH		
Ashley Oaks	Conv.		\$730		1,457		\$0.50						
Azalea Place	Conv.												
Beulah Park	Conv.												
Canterbury Heights	Conv.												
Carrollwood Apts	Conv.		\$555		1,387		\$0.40		\$655		1,487		\$0.44
Cedar Street THs	Conv.												
Cedar Villas	Conv.		\$700		1,500		\$0.47						
Chateau Apts	Conv.	\$665	\$750	1,300	1,300	\$0.51	\$0.58						
Cross Creek Apts	Conv.												
Eagle's Cliff Apts	Conv.												
Emerlad Ridge	Conv.	\$849	\$875	1,600	1,600	\$0.53	\$0.55	\$975	\$1,050		1,925	\$0.51	\$0.55
English Village Apts	RD 515	\$435	\$639	1,100	1,100	\$0.40	\$0.58						
Gray's Park Duplexes	Conv.		\$750		1,800		\$0.42						
Harmony Oaks Apts	Conv.												
Hays Mill Court	LIHTC/MKT												
Lakeview Paradise Apts	HUD Sec. 8				978						1,138		
Lawler Loft Apts#	Conv.												
Magnolia Lake Apts	LIHTC/MKT	\$795	\$850	1,350	1,350	\$0.59	\$0.63						
Mayfair Apts	Conv.		\$850		1,201		\$0.71						
Northridge Apts	Conv.												
Oakridge THs	Conv.												
South Park Apts	Conv.	\$600	\$650	1,200	1,200	\$0.50	\$0.54						
Waverly Apts	Conv.												
Westbury Park	Conv.												
Woodglen Apts	Conv.												
Totals and Averages			\$713		1,339		\$0.53		\$893		1,517		\$0.59
<b>SUBJECT PROPERTY</b>													
CARROLLTON CROSSING	LIHTC/MKT	\$718	\$850	1,205	1,205	\$0.60	\$0.71						
<b>SUMMARY</b>													
Overall			\$713		1,339		\$0.53		\$893		1,517		\$0.59
Market Rate Only			\$735		1,408		\$0.52		\$893		1,706		\$0.52
LIHTC Only			\$795		1,350		\$0.59		NA		NA		NA
Other Affordable Only			\$537		1,100		\$0.49		NA		NA		NA
Subsidized Only			NA		978		NA		NA		1,138		NA

Table 23: Project Amenities

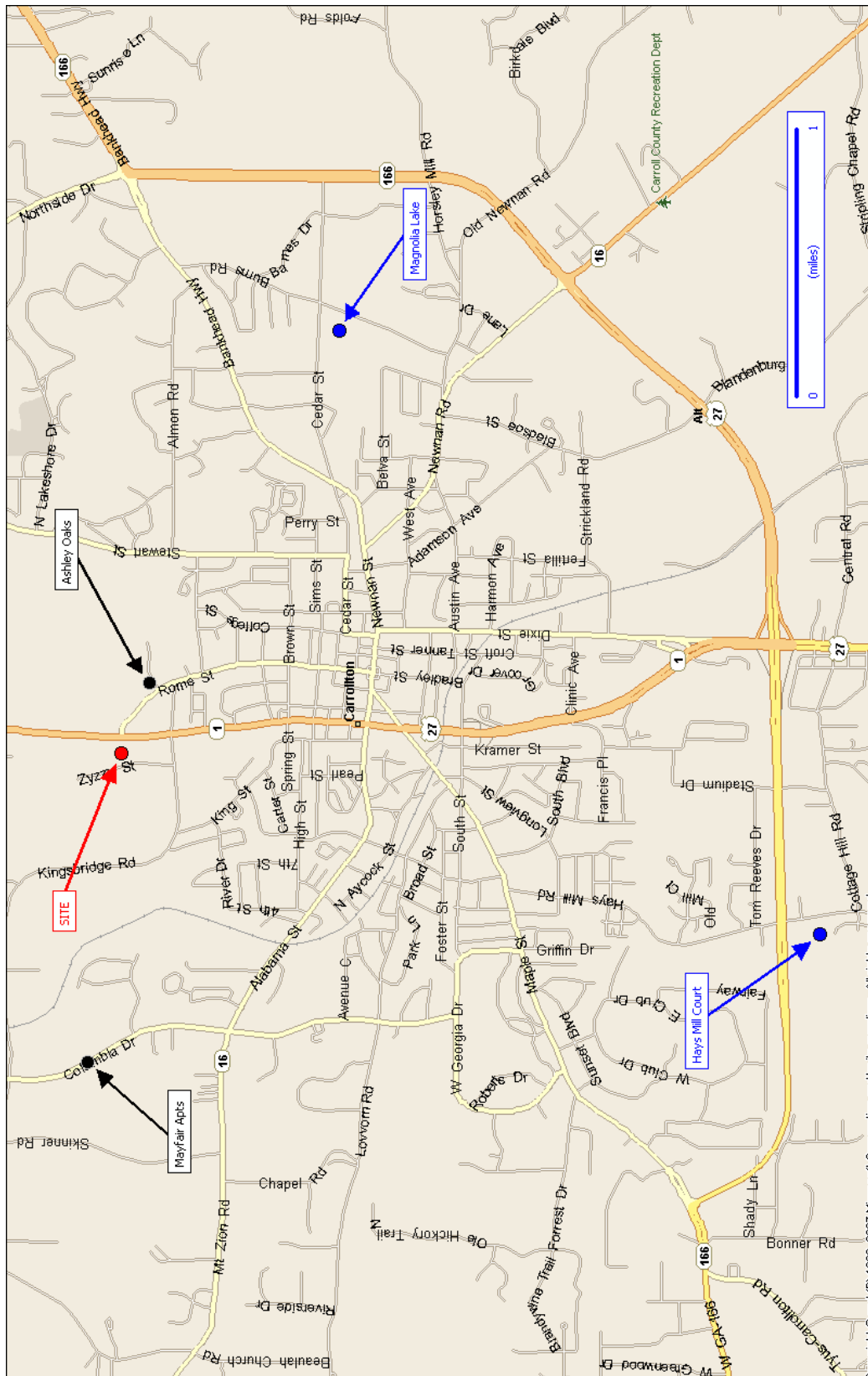
Project Name	Central Air	Coin Op Laundry	Comm. Room	Dish Washer	Exercise Room	Garbage Disposal	In-unit Laundry	Laundry Hookup	Micro-wave	Mini Blinds	Patio/ Balcony	Play-ground	Pool	Storage	Walk-in Closet
Ashley Oaks	Yes	No	No	Yes	No	Yes	No	Yes	No	No	Yes	Yes	Yes	No	Yes
Azalea Place	Yes	No	No	Yes	No	No	No	Yes	No	Yes	Yes	No	No	No	No
Beulah Park	Yes	No	No	Yes	No	Yes	Yes	Yes	No	Yes	No	No	No	No	Yes
Canterbury Heights	Yes	No	No	Yes	No	No	No	Yes	No	Yes	Yes	No	No	No	Yes
Carrollwood Apts	Yes	Yes	No	No	No	No	No	No	No	Yes	Yes	Yes	No	No	Yes
Cedar Street THs	Yes	Yes	No	Yes	No	Yes	No	Yes	No	Yes	Yes	No	No	No	No
Cedar Villas	Yes	No	No	Yes	No	No	No	Yes	No	Yes	Yes	No	No	No	Yes
Chateau Apts	Yes	Yes	No	Yes	No	Yes	No	Yes	No	No	Yes	No	Yes	No	Yes
Cross Creek Apts	Yes	Yes	No	No	No	No	No	Yes	No	No	Yes	No	No	No	No
Eagle's Cliff Apts	Yes	Yes	No	No	No	No	No	Yes	No	Yes	Yes	Yes	No	Yes	Yes
Emerlad Ridge	Yes	No	No	Yes	No	Yes	No	Yes	No	Yes	Yes	Yes	Yes	No	Yes
English Village Apts	Yes	No	No	No	No	No	No	Yes	No	No	Yes	Yes	No	Yes	No
Gray's Park Duplexes	Yes	No	No	Yes	No	No	No	Yes	No	Yes	Yes	No	No	Yes	Yes
Harmony Oaks Apts	Yes	Yes	No	Yes	No	No	No	No	No	Yes	Yes	No	No	No	No
Hays Mill Court	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No	Yes	Yes	No	No	No	Yes
Lakeview Paradise Apts	Yes	Yes	No	No	No	No	No	Yes	No	Yes	Yes	Yes	No	No	Yes
Lawler Loft Apts#	Yes	No	No	Yes	Yes	Yes	No	Yes	No	Yes	No	No	No	No	Yes
Magnolia Lake Apts	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
Mayfair Apts	No	Yes	Yes	Yes	No	Yes	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
Northridge Apts	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	Yes	No	No	No	No
Oakridge THs	Yes	No	No	Yes	No	No	No	Yes	No	Yes	Yes	No	No	No	Yes
South Park Apts	Yes	Yes	No	No	No	No	No	Yes	No	Yes	Yes	No	Yes	No	Yes
Waverly Apts	Yes	No	No	Yes	No	No	No	Yes	No	Yes	Yes	No	No	No	Yes
Westbury Park	Yes	No	No	Yes	No	No	No	Yes	No	Yes	Yes	No	No	No	Yes
Woodglen Apts	Yes	Yes	Yes	Yes	Yes	No	No	Yes	No	No	Yes	Yes	Yes	No	No
Totals and Averages	92%	52%	16%	76%	16%	40%	4%	92%	0%	80%	92%	36%	28%	20%	72%
<b>SUBJECT PROJECT</b>															
CARROLLTON CROSSING	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	NA	Yes	Yes	NA	NA
<b>SUMMARY</b>															
Overall	92%	52%	16%	76%	16%	40%	4%	92%	0%	80%	92%	36%	28%	20%	72%
Market Rate Only	90%	48%	10%	81%	10%	38%	5%	90%	0%	81%	90%	29%	29%	14%	71%
LIHTC Only	100%	100%	100%	100%	100%	100%	0%	100%	0%	100%	100%	50%	50%	50%	100%
Other Affordable Only	100%	0%	0%	0%	0%	0%	0%	100%	0%	0%	100%	100%	0%	100%	0%
Subsidized Only	100%	100%	0%	0%	0%	0%	0%	100%	0%	100%	100%	100%	0%	0%	100%



**B. Comparable/Nearby Rental Projects –Carrollton PMA**

The following map includes two LIHTC rental developments within the Carrollton market area that can be considered as directly comparable to the subject property. Also included are nearby market rate projects that can be considered as comparable due to location, build date, and/or type of development. As such, information on these developments provides a more realistic indication of the market conditions facing the development of the proposal

Map 7: Comparable LIHTC Rental Developments





COMPARABLE PROJECT INFORMATION					
<b>Project Name:</b>	<b>MAGNOLIA LAKE APTS</b>			<b>Year Built:</b>	2004
<b>Address:</b>	717 Burns Road			<b>City/State:</b>	Carrollton, GA
<b>Phone:</b>	(770) 838-1762			<b>Zip Code:</b>	30117
<b>Program:</b>	LIHTC/Market			<b>Floors:</b>	3
<b>Number of PBRA*:</b>	0			<b>Percent Senior:</b>	NA
* Including Section 8, Rental Assistance, and any other Project-Based Subsidy					
UNIT CONFIGURATION/RENTAL RATES					
<u><b>Unit Type</b></u>	<u><b>Number</b></u>	<u><b>Vacancies</b></u>	<u><b>Square Feet</b></u>	<u><b>Contract Rents</b></u>	<u><b>Occupancy Rate</b></u>
1 Bedroom	30	0	975	\$595-\$650	100%
2 Bedroom	156	10	1,175	\$695-\$750	94%
3 Bedroom	<u>30</u>	<u>0</u>	1,350	\$795-\$850	<u>100%</u>
<b>TOTAL</b>	<b>216</b>	<b>10</b>			<b>95%</b>
AMENITIES					
<b>APPLIANCES</b>		<b>UNIT</b>		<b>DEVELOPMENT</b>	
Dishwasher	<input checked="" type="checkbox"/>	Draperies	<input type="checkbox"/>	Clubhouse	<input checked="" type="checkbox"/>
Garbage Disposal	<input checked="" type="checkbox"/>	Fireplace	<input type="checkbox"/>	Community Room	<input checked="" type="checkbox"/>
Microwave	<input type="checkbox"/>	Individ. Entry	<input type="checkbox"/>	Playground	<input checked="" type="checkbox"/>
Refrigerator	<input checked="" type="checkbox"/>	Mini-Blinds	<input type="checkbox"/>	Swimming Pool	<input checked="" type="checkbox"/>
Stove/Range	<input checked="" type="checkbox"/>	Patio/Balcony	<input checked="" type="checkbox"/>	Exercise Room	<input checked="" type="checkbox"/>
Central A/C	<input checked="" type="checkbox"/>	Storage	<input checked="" type="checkbox"/>	Gazebo	<input checked="" type="checkbox"/>
Wall A/C Unit	<input type="checkbox"/>	Walk-in Closet	<input checked="" type="checkbox"/>	Secured Entry	<input checked="" type="checkbox"/>
<b>LAUNDRY</b>		<b>PARKING</b>		<b>OTHER</b>	
Coin-Op	<input checked="" type="checkbox"/>	Carport	<input type="checkbox"/>	Heat Included	<input type="checkbox"/>
Hook-Up	<input checked="" type="checkbox"/>	Garage	<input checked="" type="checkbox"/>	Elect. Included	<input type="checkbox"/>
In-Unit	<input type="checkbox"/>	Surface Lot Only	<input checked="" type="checkbox"/>	Heat Type	ELE

**Magnolia Lake Apartments** is approximately 2.4 miles east of the subject property, and represents the most comparable LIHTC property within Carrollton. The facility, a 216-unit project originally constructed in 2004, contains a unit mix of one, two, and three-bedroom units with tax credit (all 60% AMI) and market rents. Unit sizes average between 12 and 15 percent larger than those proposed, while rental rates units are nearly identical. A 95 percent occupancy rate was reported with no waiting list at the current time. The property is in very good condition. Based on an on-site interview on May 15, 2008, the facility is 88 percent occupied and 95 percent leased, with low to moderate turnover. 62 units are market rate, although the distribution was not known. Current concessions are \$299 1<sup>st</sup> month, \$399 2<sup>nd</sup> month, and \$499 3<sup>rd</sup> month, but may end soon. Additional amenities include after-school program, secured access gate, and sports courts.



COMPARABLE PROJECT INFORMATION					
<b>Project Name:</b>	<b>HAYS MILL COURT</b>			<b>Year Built:</b>	2004
<b>Address:</b>	903 Hays Mill Road			<b>City/State:</b>	Carrollton, GA
<b>Phone:</b>	(770) 214-8895			<b>Zip Code:</b>	30117
<b>Program:</b>	LIHTC/Market			<b>Floors:</b>	4
<b>Number of PBRA*:</b>	0			<b>Percent Senior:</b>	NA
<small>* Including Section 8, Rental Assistance, and any other Project-Based Subsidy</small>					
UNIT CONFIGURATION/RENTAL RATES					
Unit Type	Number	Vacancies	Square Feet	Contract Rents	Occupancy Rate
1 Bedroom	24	2	690	\$513-\$583	92%
2 Bedroom	38	0	873	\$616-\$661	100%
3 Bedroom	0	NA	NA	NA	NA
<b>TOTAL</b>	<b>62</b>	<b>2</b>			<b>97%</b>
AMENITIES					
<b>APPLIANCES</b>		<b>UNIT</b>		<b>DEVELOPMENT</b>	
Dishwasher	<input checked="" type="checkbox"/>	Draperies	<input type="checkbox"/>	Clubhouse	<input checked="" type="checkbox"/>
Garbage Disposal	<input checked="" type="checkbox"/>	Fireplace	<input type="checkbox"/>	Community Room	<input checked="" type="checkbox"/>
Microwave	<input type="checkbox"/>	Individ. Entry	<input checked="" type="checkbox"/>	Playground	<input type="checkbox"/>
Refrigerator	<input checked="" type="checkbox"/>	Mini-Blinds	<input checked="" type="checkbox"/>	Swimming Pool	<input type="checkbox"/>
Stove/Range	<input checked="" type="checkbox"/>	Patio/Balcony	<input checked="" type="checkbox"/>	Exercise Room	<input checked="" type="checkbox"/>
Central A/C	<input checked="" type="checkbox"/>	Storage	<input type="checkbox"/>	Gazebo	<input checked="" type="checkbox"/>
Wall A/C Unit	<input type="checkbox"/>	Walk-in Closet	<input type="checkbox"/>	Secured Entry	<input type="checkbox"/>
<b>LAUNDRY</b>		<b>PARKING</b>		<b>OTHER</b>	
Coin-Op	<input checked="" type="checkbox"/>	Carport	<input type="checkbox"/>	Heat Included	<input type="checkbox"/>
Hook-Up	<input checked="" type="checkbox"/>	Garage	<input type="checkbox"/>	Elect. Included	<input type="checkbox"/>
In-Unit	<input type="checkbox"/>	Surface Lot Only	<input checked="" type="checkbox"/>	Heat Type	ELE

**Hays Mill Court** is roughly 3.1 miles south of the subject property, and consists of 62 one and two-bedroom tax credit and market rate units constructed in 2004. LIHTC rents are at 40 and 60 percent of AMI. Unit sizes are approximately 16 percent smaller than the subject proposal, while rental rates are 12 percent below those proposed. Just two vacancies were reported by the leasing agent, and a waiting list was being maintained for two-bedroom units. The property is in very good condition. Based on an on-site interview on May 15, 2008, the facility is normally at 95 percent occupancy or better, with low to moderate turnover. She did not know the breakdown of tax credit and market units by bedroom – overall, she was not very courteous or helpful. Additional amenities include computer center.



COMPARABLE PROJECT INFORMATION					
<b>Project Name:</b>	<b>MAYFAIR APARTMENTS</b>			<b>Year Built:</b>	2003
<b>Address:</b>	318 Columbia Drive			<b>City/State:</b>	Carrollton, GA
<b>Phone:</b>	(770) 214-8066			<b>Zip Code:</b>	30117
<b>Program:</b>	Conventional			<b>Floors:</b>	2
<b>Number of PBRA*:</b>	0			<b>Percent Senior:</b>	NA
* Including Section 8, Rental Assistance, and any other Project-Based Subsidy					
UNIT CONFIGURATION/RENTAL RATES					
<u><b>Unit Type</b></u>	<u><b>Number</b></u>	<u><b>Vacancies</b></u>	<u><b>Square Feet</b></u>	<u><b>Contract Rents</b></u>	<u><b>Occupancy Rate</b></u>
1 Bedroom	32	1	801	\$650	97%
2 Bedroom	64	3	1,015	\$750	95%
3 Bedroom	<u>24</u>	<u>0</u>	1,201	\$850	<u>100%</u>
<b>TOTAL</b>	<b>120</b>	<b>4</b>			<b>97%</b>
AMENITIES					
<b>APPLIANCES</b>		<b>UNIT</b>		<b>DEVELOPMENT</b>	
Dishwasher	<input checked="" type="checkbox"/>	Draperies	<input type="checkbox"/>	Clubhouse	<input checked="" type="checkbox"/>
Garbage Disposal	<input checked="" type="checkbox"/>	Fireplace	<input type="checkbox"/>	Community Room	<input type="checkbox"/>
Microwave	<input type="checkbox"/>	Individ. Entry	<input checked="" type="checkbox"/>	Playground	<input checked="" type="checkbox"/>
Refrigerator	<input checked="" type="checkbox"/>	Mini-Blinds	<input checked="" type="checkbox"/>	Swimming Pool	<input checked="" type="checkbox"/>
Stove/Range	<input checked="" type="checkbox"/>	Patio/Balcony	<input checked="" type="checkbox"/>	Exercise Room	<input type="checkbox"/>
Central A/C	<input type="checkbox"/>	Storage	<input checked="" type="checkbox"/>	Gazebo	<input type="checkbox"/>
Wall A/C Unit	<input checked="" type="checkbox"/>	Walk-in Closet	<input checked="" type="checkbox"/>	Secured Entry	<input type="checkbox"/>
<b>LAUNDRY</b>		<b>PARKING</b>		<b>OTHER</b>	
Coin-Op	<input checked="" type="checkbox"/>	Carport	<input type="checkbox"/>	Heat Included	<input type="checkbox"/>
Hook-Up	<input checked="" type="checkbox"/>	Garage	<input checked="" type="checkbox"/>	Elect. Included	<input type="checkbox"/>
In-Unit	<input type="checkbox"/>	Surface Lot Only	<input checked="" type="checkbox"/>	Heat Type	ELE

**Mayfair Apartments** is perhaps the most comparable market-rate property to the subject proposal. The facility, a 120-unit conventional development constructed in 2003, is approximately 2.6 miles west of the site and contains a mix of one, two, and three-bedroom units. Unit sizes are slightly smaller than the subject proposal, with rental rates nearly identical. A 97 percent occupancy rate was reported with a small waiting list being maintained for one-bedroom units. The property is in very good condition. According to the leasing agent, the facility normally has a good vacancy rate with moderate turnover.





COMPARABLE PROJECT INFORMATION					
<b>Project Name:</b>	ASHLEY OAKS		<b>Year Built:</b>	1980	
<b>Address:</b>	1121 Rome Street		<b>City/State:</b>	Carrollton, GA	
<b>Phone:</b>	(770) 832-7788		<b>Zip Code:</b>	30117	
<b>Program:</b>	Conventional		<b>Floors:</b>	2	
<b>Number of PBRA*:</b>	0		<b>Percent Senior:</b>	NA	
* Including Section 8, Rental Assistance, and any other Project-Based Subsidy					
UNIT CONFIGURATION/RENTAL RATES					
Unit Type	Number	Vacancies	Square Feet	Contract Rents	Occupancy Rate
1 Bedroom	0	NA	NA	NA	NA
2 Bedroom	64	3	1,153	\$645	95%
3 Bedroom	16	0	1,457	\$730	100%
<b>TOTAL</b>	<b>80</b>	<b>3</b>			<b>96%</b>
AMENITIES					
<b>APPLIANCES</b>		<b>UNIT</b>		<b>DEVELOPMENT</b>	
Dishwasher	<input checked="" type="checkbox"/>	Draperies	<input type="checkbox"/>	Clubhouse	<input type="checkbox"/>
Garbage Disposal	<input checked="" type="checkbox"/>	Fireplace	<input type="checkbox"/>	Community Room	<input type="checkbox"/>
Microwave	<input type="checkbox"/>	Individ. Entry	<input type="checkbox"/>	Playground	<input checked="" type="checkbox"/>
Refrigerator	<input checked="" type="checkbox"/>	Mini-Blinds	<input type="checkbox"/>	Swimming Pool	<input checked="" type="checkbox"/>
Stove/Range	<input checked="" type="checkbox"/>	Patio/Balcony	<input checked="" type="checkbox"/>	Exercise Room	<input type="checkbox"/>
Central A/C	<input checked="" type="checkbox"/>	Storage	<input type="checkbox"/>	Gazebo	<input type="checkbox"/>
Wall A/C Unit	<input type="checkbox"/>	Walk-in Closet	<input checked="" type="checkbox"/>	Secured Entry	<input type="checkbox"/>
<b>LAUNDRY</b>		<b>PARKING</b>		<b>OTHER</b>	
Coin-Op	<input type="checkbox"/>	Carport	<input type="checkbox"/>	Heat Included	<input type="checkbox"/>
Hook-Up	<input checked="" type="checkbox"/>	Garage	<input type="checkbox"/>	Elect. Included	<input type="checkbox"/>
In-Unit	<input type="checkbox"/>	Surface Lot Only	<input checked="" type="checkbox"/>	Heat Type	GAS

## IX. INTERVIEWS

Throughout the course of performing this analysis of the Carrollton rental market, many individuals were contacted. According to local government officials (Carroll County and City of Carrollton), no comparable family rental activity was reported within the PMA. The only multi-family development currently planned within the area are a senior-oriented rental community (Park Place Apartments - to be constructed with tax credits approximately ½ mile south of the subject along Park Street), and a student rental complex in the western portion of the city (Maple Street Commons – 170 units). The Park Place senior proposal consists of 70 two-bedroom units at 50 percent and 60 percent of AMI, with seven market rate units. Based on both these proposal's development type and targeting, neither can be considered as comparable to the subject proposal, and would therefore not have a negative impact on its absorption or stabilization.

Additional information was collected during property visits and informal interviews with leasing agents and resident managers throughout the local rental market as part of Shaw Research and Consulting's survey of existing rental housing to collect more specific data. The results of these interviews are presented within the supply section of the market study. It is also worth noting that leasing agents throughout the local rental market did not express any negative feelings regarding the strength or stability of the rental market, and in many cases, expressed positive comments.

## **X. CONCLUSIONS/RECOMMENDATIONS**

Based on the information collected and reported within this study, sufficient evidence has been presented for the successful introduction and absorption of the subject proposal within the Carrollton PMA. Relatively positive occupancy levels within the overall rental market (at 95 percent), generally successful existing comparable LIHTC properties within the PMA (combined 96 percent occupied), stable economic conditions, a modern product with numerous amenities and features, and strong statistical demand all support the introduction of a newly constructed rental alternative targeted for low and moderate-income households. Also taking into consideration the extremely strong demographic patterns since 1990 and projected to 2012, the facility should maintain at least a 93 percent occupancy rate into the foreseeable future with no long-term adverse effects on existing local rental facilities – either affordable or market rate. Assuming the subject proposal is developed as described within this analysis, Shaw Research & Consulting can provide a positive recommendation for the proposed development with no reservations or conditions.

In addition, supplemental market data that was provided by the sponsor/DCA for the subject property (Apartment Inventory Letter from John Wall and Associates) appears to provide a reasonable portrayal of the market.



## **XI. SIGNED STATEMENT REQUIREMENTS**

I affirm that I have made a physical inspection of the market area and the subject property on May 14 and 15, 2008, and that information has been used in the full study of the need and demand for the proposed units. To the best of my knowledge, the market can support the project shown in the study. I understand that any misrepresentation of this statement may result in the denial of further participation in DCA's rental housing programs. I also affirm that I have no interest in the project or relationship with the ownership entity and my compensation is not contingent upon this project being funded.



---

Steven R. Shaw  
**SHAW RESEARCH AND CONSULTING**

Date: May 28, 2008

## **XII. COMPARISON OF COMPETING PROJECTS**

Based on information supplied by DCA, no other family-oriented rental developments are competing with the subject proposal in the 2008 Georgia funding round.

### **XIII. SOURCES**

1990 U.S. Census of Population and Housing - U.S. Census Bureau

2000 U.S. Census of Population and Housing - U.S. Census Bureau

2007/2012 Demographic Forecasts, ESRI Business Analyst Online

ESRI ArcView, Version 3.3

Microsoft Streets and Trips 2008

Area Labor Statistics, 1990 – Present, U.S. Bureau of Labor Statistics and Georgia Department of Labor

Carroll County Area Labor Profile – Georgia Department of Labor

Welcome to Carroll County, Georgia – Live, Work, Play – Carroll County Chamber of Commerce

Carroll County Snapshot – Georgia Department of Community Affairs

Carroll County Economic Profile – Carroll County Chamber of Commerce

Worker Adjustment and Retraining Notification Guide (WARN) – Georgia Department of Labor

Carroll, GA – Community Profile – [www.georgiafacts.net](http://www.georgiafacts.net)

Carroll County Chamber of Commerce Website – [www.carroll-ga.org](http://www.carroll-ga.org)

Carrollton, Georgia Website – [www.carrollton-ga.gov](http://www.carrollton-ga.gov)

Carroll County Parcel Maps – [www.gispilot.com](http://www.gispilot.com)

Interviews with managers and leasing specialists at local rental developments

Interviews with community planning officials

## **XIV. RESUME**

### **STEVEN R. SHAW SHAW RESEARCH & CONSULTING**

Mr. Shaw is a principal at Shaw Research and Consulting. With over seventeen years of experience in market research, he has assisted a broad range of clients with the development of various types of housing alternatives throughout the United States, including multi-family rental properties, single-family rental developments, for-sale condominiums, and senior housing options. Clients include developers, federal and state government agencies, non-profit organizations, and financial institutions. Areas of expertise include market study preparation, pre-feasibility analysis, strategic targeting and market identification, customized survey and focus group research, and demographic and economic analysis. Since 2000, Mr. Shaw has reviewed and analyzed housing conditions in more than 350 markets across 24 states.

Previous to forming Shaw Research in January 2007, he most recently served as partner and Director of Market Research at Community Research Services (2004-2006). In addition, Mr. Shaw also was a partner for Community Research Group (1999-2004), and worked as a market consultant at Community Targeting Associates (1997-1999). Each of these firms provided the same types of services as Shaw Research and Consulting.

Additional market research experience includes serving as manager of automotive analysis for J.D. Power and Associates (1992-1997), a global automotive market research firm based in Troy, Michigan. While serving in this capacity, Mr. Shaw was responsible for identifying market trends and analyzing the automotive sector through proprietary and syndicated analytic reports. During his five-year tenure at J.D. Power, Mr. Shaw developed a strong background in quantitative and qualitative research measurement techniques through the use of mail and phone surveys, focus group interviews, and demographic and psychographic analysis. Previous to J.D. Power, Mr. Shaw was employed as a Senior Market Research Analyst with Target Market Systems (the market research branch of First Centrum Corporation) in East Lansing, Michigan (1990-1992). At TMS, his activities consisted largely of market study preparation for housing projects financed through RHS and MSHDA programs. Other key duties included the strategic targeting and identification of new areas for multi-family and single-family housing development throughout the Midwest.

A 1990 graduate of Michigan State University, Mr. Shaw earned a Bachelor of Arts degree in Marketing with an emphasis in Market Research, while also earning an additional major in Psychology.

## XV. DCA TABLE OF CONTENTS

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I understand that by initializing (or checking) the following items, I am stating those items are included and/or addressed in the report. If an item is not checked, a full explanation is included in the report.

The report was written according to DCA's market study requirements, that the information included is accurate and that the report can be relied upon by DCA as a true assessment of the low-income housing rental market.

I also certify that I have inspected the subject property as well as all rent comparables.

Signed: 

Date: May 28, 2008

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***\* If using sources other than U.S. Census (I.e., Claritas or other reputable source of data), please include in Addenda – The source of all tables in the market study must be clearly identified.***

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